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15 May 1985

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POLITICAL

BELGIUM

EXTREME RIGHTISTS STOLE NATO DOCUMENTS

Brussels LE SOIR in French 22 Mar 85 p 3

[Article by Rene Haquin]

[Text] Twenty months ago, we reported the case of NATO telex thefts at the transmitting center of the military command in Evere, later found in the home of Michel Libert, an extreme right-wing militant, formerly a Naval Force non-commissioned officer. The documents had been seized in a search undertaken after a street clash in Forest at the end of August 1983, in which Marcel Barbier was arrested. A former member of the Young People's Front, he revealed to the police that he belonged to a small neo-Nazi group existing in Brussels since 1980 but totally secret until then: the Westland New Post (WNP).

The WNP dominated the headlines until April 1984, as the disclosure of its criminal activities and contacts with the military, a police officer and officials in the state security forces unfolded. Five judicial inquiries were conducted in Brussels and in Nivelles. The first, concerning the clash and the shot Barbier fired in the street, ended in his being sentenced to 22 months in prison. A second inquiry conducted by Judge Coppieters't Wallant involved the theft of military documents, some of which had been published in several issues of a very confidential magazine called ALTHING. At that time, several servicemen were charged with theft or corruption and some of them were put into preventive custody for several weeks. The investigation centered around one of the leaders of the WNP, Michel Libert, formerly of the Naval Force, who arranged these leaks with Latinus in order to demonstrate, they said, that the army command in Evere was "a sieve". The term was taken up in the Senate at the end of 1983 when suspects were being questioned.

Mrs Coppieters't Wallant has just completed and forwarded her report on the investigation to the prosecution. The prosecution now must draw its conclusions and forward them to the Council Chamber which will examine the charges (theft, possession of stolen goods, corruption) and will take a decision on whether to send the case to the criminal court.

Once arrested, Barbier admitted that he and another WNP militant committed two assassinations in February 1982 in an apartment in Anderlecht, that had gone

unpunished until then. The double assassination had been preceded by bizarre exercises in surveillance directed at the future victims which had been arranged, according to the two WNP militants, by an agent of the state security forces who had given them courses in tailing and surveillance. One serviceman, Eric Lammers, was arrested as a co-perpetrator of the double assassination but he has always denied having participated in it. Released after 9 months of preventive custody, he has been sought since the beginning of February for hold-ups committed in December. The inquiry, which is being conducted by Mrs Lyna, has not been completed. The same judge is pursuing an examination begun in September 1983 that involves the secret activities of the Westland New Post, some of which have been termed violations of laws on private militias, but fall under the article of the penal code concerning conspiracy. Several militants are charged in this case.

Finally, it will be remembered that in April 1984, the Westland New Post leader, Paul Latinus, was found hanged in his home under strange circumstances, after he himself had spoken of receiving death threats. Two re-enactments of this "suicide" gave rise to new areas of investigation. The inquiry has not been completed.

In addition to the completion of the inquiry on the thefts of NATO documents, we point out that some of the servicemen concerned have left the army since then. Others have been moved and assigned to duties not requiring security clearance. These servicemen have in fact been the subject of an internal inquiry conducted by the SDRA (Intelligence and Action Service). The trial on the thefts of NATO documents may yet take place this year.

12413
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POLITICAL

DENMARK

SDP OVERTURES TO LEFTIST PARTY DISSOLVE IN NATO POLICY FEUD

SDP Conditions for Alliance

Copenhagen BERLINGSKE TIDENDE in Danish 16 Apr 85 p 1

[Article by Svend Bie: "Heated Charges From SDP Against SF"]

[Text] A shower of critical questions from Mogens Camre (SDP) [Social Democratic Party] will force SF [Socialist People's Party] to show their hand now. "We will not be a party to seeing SF conducting an irresponsible policy," said Camre. The charges were seen as an attempt to emphasize the differences.

With a number of critical questions the finance policy spokesman of the Social Democratic Party, Mogens Camre, is now trying to get SF to show their hand on a number of central political problems.

At the same time Mogens Camre criticized SDP's nearest political neighbor on the left flank in very sharp terms.

After a couple of days' talk about a rapprochement between the two parties, the critical questions about comments can only be seen as an effort to emphasize the differences between the two parties.

"So far SF has conducted an absolutely irresponsible and improper policy. We will not be a party to it. That is why we are now asking the party to answer a number of questions," said Mogens Camre to BERLINGSKE TIDENDE.

He said that SF lives in a world "unaware of the realities," and as a concrete example he pointed out that the party wants to withdraw Denmark from the EC with 14 days' notice and cover the deficit from the withdrawal through savings on military expenditures.

"That is political blather and reminds one most of all of the idea of a telephone answering device which would replace our defenses, which came from another extreme party," said Mogens Camre.

The finance policy spokesman of SDP wants an answer to whether SF recognizes that the balance of payments deficit necessitates increased investments and greater savings. That increased investments presupposes surplus distribution, even if the labor movement does not immediately get everything it wants. That competitive ability must be maintained and that higher real wages presupposes increased production.

Camre also wants to know if the SF will support a policy to eliminate the deficit from the national budget. And most of all: Will SF vote for appropriations caused by Denmark's membership in EC. And will SF vote for the defense budget under the NATO appropriations.

"It is unpleasant that SF makes promises that no one can fulfill. Incomes may be distributed in other ways, but overall, real wages cannot be raised without raising production. One can not distribute more than there is. SDP has said that we will carry out a policy which will eliminate the deficit in the balance of payments. The question is, will SF also do that," asked

Opposition Disarray After Strike

Copenhagen BERLINGSKE TIDENDE in Danish 16 Apr 85 p 8

[Editorial: "In Midstream"]

[Text] The political result of legislation on the labor market is not difficult to figure out. On one side is the government supported by the Radical Liberal Party, now closer to each other than ever before. On the other side is the opposition, which could not cooperate during the intervention, and which now finds itself in midstream, where it will try to formulate a new policy.

In midstream it succeeded in enticing an invitation out of Mogens Lykketoft. An invitation to SF for closer cooperation between SDP and SF, intended as an alternative to the sitting government. The invitation was very well received in SF, even though Gert Petersen was a little skeptical about the circumstances under which it was extended. Gert Petersen responded to the wedding invitation with an invitation to something more closely resembling an engagement. He wants to discuss possibilities of cooperation soon, but at the same time drew attention to the fact that a tax compromise between the government and SDP would put impediments in the way of a more durable relationship.

Where SF was able to withdraw in clear language, SDP subsequently had to entangle itself in many explanations. Svend Auken indicated that perhaps SDP wanted a change of government, but that did not mean that there would be changes in the legislation which ended the conflict on the labor market. And Anker Jorgensen--returned from vacation--punched holes in the idea of a government agreement between the two parties before a parliamentary election.

The entire discussion shows how great is the disarray within the opposition. It shows primarily that SDP lacks a suitable response to the policy which the government is attacked so hard for. That was expressed during the parliamentary debate at the end of March in which the large opposition party, after a remarkable course of events in the group, had to avoid putting forth a real proposition. But it goes farther. Because the fact is that SDP will in the future be just as powerless before the government. The more sober-minded portion of the party knows good and well that expectations of a quick change of government are plucked from thin air and--still worse--that the responsibility of government just now would be almost crippling for the party. Niels Helveg Petersen has correctly stated that SDP, which at the moment is attacking the government the hardest, is at the same time defrauding the voters. They talk as though Denmark is a debt-free nation which is controlling international business developments. From there SF can conduct a policy, but it will never be government policy--regardless of possible combinations.

EC Policy Also Reserved

Copenhagen BERLINGSKE TIDENDE in Danish 18 Apr 85 p 1

[Article by Svend Bie: "SF Must Put NATO and EC Policies on Ice"]

[Text] If SDP should form a government, SF must support it in the same way as the Radicals support the Schluter Government, and not endanger the life of the government, said former Minister of Economic Affairs Ivar Norgaard.

SF should put both the EC and the NATO policies on ice if they are going to cooperate with SDP after a change of government.

This is according to former Minister of Economic Affairs Ivar Norgaard (SDP) after several days' talk about SDP-SF cooperation.

"SF must clearly understand that there is not much difference between going into a government with the SDP or being a supporting party. They must accept the fact that they can not conduct their own EC or NATO policy, as that could lead to the fall of the government. And then Schluter would be back as prime minister," said Ivar Norgaard.

He believes that SF must understand that a majority in the Parliament approve of both NATO and EC, regardless of whether SDP and SF together have a majority or whether they find support among other parties.

SF must adopt the same role as the Radicals have with the Schluter Government, and not do anything which would threaten the life of the government, said Ivar Norgaard.

If SDP and SF together do not have a majority after the election, Ivar Norgaard does not believe they will form a government together.

"The polls do not at the moment indicate that SDP and SF together have a majority. In my opinion that would lead to a SDP minority government which would then cooperate with different majorities," said Ivar Norgaard.

He said that until an election the two parties should concentrate on their role in the opposition. Meaning that they should observe and criticize the policies of the government. "Only in this way can we convince the people that the policies of the government are wrong," said Ivar Norgaard.

SF Chairman Attacks Conditions

Copenhagen BERLINGSKE TIDENDE in Danish 19 Apr 85 p 1

[Article by Svend Bie: "Gert Petersen Says SDP Can Learn From Schluter's Hold on Radical Liberal Party"]

[Text] SDP is concentrating more on attacking SF than on implementing a social restoration, said Gert Petersen.

"Schluter has much more solidarity with his voters than the SDP."

That was said by the chairman of the Socialist People's Party, Gert Petersen, after SDP demanded that SF put aside EC and the security policy if it is to cooperate with SDP.

"It is decisive for Schluter to carry out his economic policy, which I call a one-sided class policy. He can get the Radicals to go along, and he is willing to pay the price: that the Radicals will now and then put the government in awkward situations on security policy. As Ivar Norgaard presents SDP policies, the party will only carry out a social restoration if SF subordinates itself in the security area. SDP makes demands on us which Schluter would not dream of making on the Radicals." said Gert Petersen.

The attempt to find the framework for cooperation between SDP and SF which has been going on for several days has thereby taken on the character of a showdown.

"It is a fantastically unrealistic demand that we must put our security policy and EC policy on ice. The SDP can learn something from how Schluter deals with the Radicals," said Gert Petersen.

He believes that the many attacks by SDP against SF's responsibilities show that SDP is not thinking primarily about social restoration, but more about attacking SF.

Foreign Minister Challenges Jorgensen

Copenhagen BERLINGSKE TIDENDE in Danish 23 Apr 85 p 12

[Article by Thorkild Dahl: "Elleemann Demands Anker Choose Sides"]

[Text] Foreign Minister Uffe Elleemann-Jensen (Radical Liberal Party) believes that Anker Jorgensen, at the head of a faction of the SDP, is sowing doubt about the reliability of the party.

The SDP and Anker Jorgensen's flirtation with the idea of government cooperation with SF must lead to a clarification quickly as to whether SDP will support defense and security policies with the NATO parties or go together with SF.

Foreign Minister Uffe Elleemann-Jensen clearly called for a clarification of the large opposition party's NATO line, and said that a yes by SDP to cooperation with SF in a government would be the cause of deep concern.

The foreign minister will not get a clear answer in a statement from Anker Jorgensen, who is entirely avoiding taking a position on the extent of co-operation with SF, but says they have temporarily entered a 3-year defense agreement with the government parties, "and we stand fully behind that both before and after the parliamentary election."

Foreign Minister Uffe Elleemann-Jensen said that cooperation between SDP and SF on these "vital questions" will also cause "further concern among our allies, who already look at Denmark's defense and security policies with deep anxiety."

"Since SDP came into the opposition, a faction with Anker Jorgensen at the head has increasingly created doubt about the depth of SDP's commitment to defense and security," said Uffe Elleemann-Jensen, and added that Anker Jorgensen with the opening to SF has further "contributed to the undermining of his party's reliability."

The foreign minister describes it as an entirely new political situation that Anker Jorgensen has approved of the idea of future government cooperation with SF.

Anker Jorgensen said that Elleemann-Jensen "time after time provokes the parliamentary majority and creates uncertainty about Denmark's security policy."

"We do not see any alternative to NATO, but we want to be allowed to have our own viewpoints about nuclear weapons," said Anker Jorgensen.

Metalworkers Skeptical

The labor movement has been cautious about commenting on possible SDP-SF cooperation. The metalworkers' chairman, Georg Poulsen said yesterday at a press meeting, however, that should an election give the possibility of a stable constellation, the metalworkers would say yes to it.

"But it would be a sin if Anker should move around in the Parliament looking for a shifting majority. A possible government partner must be prepared to take the bitter with the sweet," said the metalworkers' chairman.

To a question about how many millions Dansk Metal would use to fight the government, Georg Poulsen answered that the metalworkers have not set aside extra funds for that purpose.

"The government of course did not come in through a military coup, but it was lawfully elected. Therefore we must wait until a parliamentary election to overthrow it," he said.

9287

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POLITICAL

FINLAND

OVERALL POLITICAL LANDSCAPE FACTOR WORSENED FCP, CPSU TIES

Helsinki SUOMEN KUVALEHTI in Finnish 4 Apr 85 pp 74-77

[Article by Jyrki Iivonen: "Why FCP and CPSU Have Grown Away from Each Other"]

[Text] The CPSU and the SKP [Finnish Communist Party], which consider themselves as fraternal parties, no longer seem to be exactly on speaking terms. The problem is not just a war of faith among Finnish Communists. Finland's political system has changed and the Communists are no longer needed to show the way in Eastern policy.

Good relations between the CPSU and the SKP have long historical traditions. The SKP was established in Moscow in 1918. Its headquarters was always in the Soviet Union at least until 1944. The SKP has generally supported the line observed by the CPSU in major questions concerning the international communist movement. The CPSU has helped Finnish Communists in the training of a party leadership and in defining policy lines, among other things.

After the rift between the Soviet Union and China in the beginning of the 1960s, the SKP also severed its party relations with the Chinese Communists. When the Soviets began to criticize Eurocommunism in the mid 1970s, the campaign elicited a sympathetic response in the SKP also.

The SKP has also not joined in those critical observations which certain West European communist parties have made with respect to the Soviet Union's role in the Afghanistan and Poland crises. The Soviet Union has always received the SKP's support for its initiatives regarding disarmament and detente.

1968 Czechoslovakian Crisis

The only exception to this rule has been the SKP's stand on the events in Czechoslovakia in August 1968. In an official announcement issued at that time the SKP leadership openly suspected that the Soviet Union did not exhaust all means "for the accomplishment of a non-military solution". As a kind of protest to these events the party leadership cancelled long planned celebrations of the 50th anniversary of the establishment of the SKP.

The differences regarding the Czechoslovakian crisis, however, affected the SKP's internal development more than relations between the SKP and the CPSU.

The reasons for party dissension were in themselves different, but the development of a crisis somehow culminated in the differences concerning Czechoslovakia.

According to the Aarne Saarinen, the chairman at that time, the CPSU never demanded a new stand on those events. But since the majority had criticized the Soviet Union's actions and the minority, on the other hand, supported them, it was clear that sympathies were on the side of the minority.

First Ideological Differences

The division of the SKP into two factions was felt to be problematical in the Soviet Union from the very beginning. In 1969 an international consultative meeting of communist and workers' parties was organized in Moscow with unity of the international communist movement as its motto. The CPSU's official aspiration was, indeed, the restoration of unity within the SKP. At the extraordinary congress held in 1970 the SKP's minority -- in accordance with the wishes of the CPSU -- returned to participate in the leadership work of the party. However, it was not a question of actual unity but only a legitimization of the factional division. The treatment of issues continued to occur on a factional basis.

In the beginning of the 1970s ideological differences mostly concerned government policy. The SKP's accomplishments in government were subjected to criticism in certain Soviet publications appearing at that time (in Professor Yuriy Krasin's books, among others). At the same time, the party's minority, which originally also participated in government cooperation, turned against it. In spite of forceful criticism, the party's majority remained in the government -- the minority, on the other hand, became an 'opposition party'.

The idea of a 'historical compromise as a Finnish solution', presented by present SKP Chairman Arvo Aalto in 1979, also aroused an animated debate. Aalto's vision was condemned by the CPSU as well as by the SKP's minority. Chairman Aarne Saarinen, on the other hand, considered it to be in agreement with the party's political program. Even as late as 1982 CPSU Politburo member Arvid Pelshe criticized the proposal of a 'historical compromise'.

Saarinen's Farewell Speech

The SKP's extraordinary congress held in May 1982 represented a decisive turn for the worse in relations between the SKP and the CPSU. It was a question of a crisis meeting: the party's support had declined and new members could no longer be found. In addition, Aarne Saarinen, the party's long-time chairman, announced his resignation. Pressures for administrative solutions had increased inside the party. The so-called axing policy line wanted General Secretary Arvo Aalto to succeed Saarinen. Uncertainty was also increased by the so-called third line, which upset the traditional factional division and whose influence there was a desire to eliminate.

At a meeting of the CPSU and the SKP held prior to the congress the Soviet representatives criticized the majority for "organizing a witch-hunt" against

minority representatives. They considered that the SKP's problems cannot be resolved by "administrative means". In attempting to protect its position the minority also brought these ideas up in the meeting hall. This also forced Aarne Saarinen to discuss relations between the CPSU and the SKP in his final speech.

This was the first time that a chairman of the SKP publicly criticized the fraternal Soviet party. Saarinen stated that the CPSU had the right to express its own position on the SKP's situation, but the SKP correspondingly had the right and obligation to analyze the CPSU's position "objectively" and "independently". He considered the stand presented by the CPSU to be an "error", which a certain faction subsequently used as a "weapon". According to Saarinen, "both the small and the large have a right to their own identity and their own self-esteem, on the basis of which it can live and experience true solidarity with those greater than itself".

Kajanoja's Removal

The extraordinary congress elected Jouko Kajanoja, who represented the so-called third line, as the new chairman as a result of the dissension in the majority ranks. However, being outside of the traditional factions he lacked sufficiently broad base of support. Therefore, the election did not resolve the party's internal conflicts but rather aggravated them. The "axing policy line" acquired a controlling position in the majority and preparations for the regular 20th Congress began.

The SKP suffered one of the worst defeats in its history in the parliamentary elections in the spring of 1983. The majority, in particular, considered that the defeat was the consequence of the party's dissension and internal conflicts.

CPSU Politburo member Grigori Romanov, who visited Finland in April 1983 in the aftermath of the elections, warned against blaming the defeat only on dissension in the party. In referring to the forthcoming congress he once again warned against administrative solutions and pointed out that the CPSU intends to maintain relations only with a revolutionary SKP.

However, even the CPSU's warnings could no longer freeze the situation. The majority came to the congress better prepared and with a small majority was even able to remove Kajanoja from the party leadership. As a result of this, the third line as well as the minority resigned from the Central Committee. The strings were now tightly in the hands of Arvo Aalto, the new chairman, and Aarno Aitamurto, who was elected as his team mate. In the Soviet Union the congress was followed by a long silence, which continued until the fall of 1984.

Romanov's Message

Politburo member Grigori Romanov visited Finland once again in October 1984 and met with both the old as well as the new leadership of the SKP. He was carrying a message from the CPSU Politburo. It contained regrets that the

CPSU's appeals for unity were not taken into consideration at the congress. Amazement was also expressed with respect to the fact that certain SKP representatives belonging to the leadership of the SKDL [Finnish People's Democratic League] (an apparent reference to Aarne Saarinen) had criticized the CPSU's actions without a disavowal on the part of the SKP.

Romanov presented a traditional appeal for the initiation of a real development toward unity in the SKP. He gave particular support for that policy line which Jouko Kajanoja had observed during his 2-year term as chairman. The appeals were, however, in vain since the situation finally went out of control. There was no longer any return to the "old course of events".

PRAVDA's Message

There began to be a gradual recognition of the irrevocability of the situation in the Soviet Union also. A long article in the 13 December 1984 issue of PRAVDA entitled "As A Guest of Finnish Communists" alluded to this with an even more pointed stand. Reactionary forces were accused of actively disrupting the SKP in the article. In referring to the parallel district organizations established by the SKP's leadership, PRAVDA makes separate mention of disruptive actions in such important industrial centers as Uusimaa, Turku, and Tampere.

The article also gave considerable attention to the fact that the attempt to disrupt and divide the SKP is not just a party-level question, but it also inevitably affects state relations between Finland and the Soviet Union. This caused MP Esko-Juhani Tennila to state that the SKP's participation in government cooperation is not possible for foreign policy reasons. The basic message of PRAVDA was clear: the responsibility for the current situation lies with the SKP's new leadership.

Similar views also appeared before the most recent extraordinary congress. The Soviet stands expressed the hope that party unity will be restored by refraining from administrative solutions. Since this was not, however, done, it seems apparent at this time that the majority's party relations with the USSR will break off at least temporarily if the SKP undergoes a final split.

SDP's Changed Foreign Policy Role

However, the deterioration of relations between the SKP and the CPSU cannot be explained just by party dissension. It is also a question of changes in Finland's political system and of power relationships between the Social Democrats and the Communists. A decisive turn took place in the middle of the 1960s when the SDP reassessed its foreign policy line and began an active development of relations with the Soviet Union. It received a significant victory in the 1966 parliamentary elections and thus became the most important ruling party. At the same time it gained the upper hand from the Communists in the trade union movement.

The rapid improvement of relations between the SDP and the CPSU was influenced by the fact that the SDP was becoming a so-called regency party, which in

practice handled many questions connected with communications between Finland and the USSR. Thus Finnish Social Democrats became regular guests in Moscow.

Prime Minister Kalevi Sorsa, the present chairman of the SDP, enjoys especially great prestige in the Soviet Union. He received extensive attention during his visit to the Soviet Union in September 1984 and also met with party leader Konstantin Chernenko, among others. In March 1985 he visited Moscow as the chairman of the Socialist International's disarmament work group and talked with the new party leader, Mikhail Gorbachev.

President Koivisto's Eastern Relations

President of the Republic Mauno Koivisto has in a short time developed close and confidential relations with the highest leadership of the USSR. These relations have not been affected in any way by the changes in the highest leadership of the CPSU -- state relations between Finland and the Soviet Union rest on a considerably stronger foundation.

However, during the presidential election campaign in Finland certain SKP representatives, in particular, expressed doubts about his qualifications for continuing the Paasikivi-Kekkonen foreign policy line in relations with the USSR. The party's minority, in particular, considered these qualifications to be nonexistent. However, this fear turned out to be groundless: Mauno Koivisto has visited the Soviet Union several times already during his presidential term while thus continuing along the path pointed out by his predecessors.

Also the uncertainty expressed in the Soviet Union in the beginning has disappeared. A good indication of the confidence enjoyed by President Koivisto in the Soviet Union is Yuriy Komissarov's article published in the October 1984 issue of MEZHDUNARODNAYA ZNIZN' [International Life], in which Mauno Koivisto's performance is rated exceptionally high.

Change in SKP's Foreign Policy Position

The current situation is contradictory from the point of view of the SKP. On the one hand, it has every reason to be satisfied: that foreign policy line which it had to support almost alone after the war is today accepted by all Finns.

But at the same time the SKP has in a certain sense become unnecessary. It has lost its position as the strongest proponent of that policy line. Finland's Eastern policy has become more and more the policy of the Social Democrats and the Center Party. The SKP, on the other hand, has been quoted in the Soviet Union recently only when there has been a discussion of its internal problems or of anti-Soviet statements that have appeared in the party.

The initiative in Eastern policy has to an increasing degree been transferred to the above-mentioned ruling parties as well as to certain civic organizations (Finland-USSR Society, Peace Defenders, and so on). Also Finnish economic organs have been making a greater contribution to relations with the East. The CPSU considers that it is in its own interest to conduct relations

through such organizations which, indeed, have an opportunity to influence political decision making in Finland. The SKP is not such an organization.

Changes in Soviet Foreign Policy

Certain changes can also be observed in Soviet foreign policy. In talking about Soviet relations with Western countries relations between states (peaceful coexistence) and relations between communist parties (proletarian internationalism) have been traditionally separated from one another. The latter were generally emphasized in Soviet foreign policy at least until World War II.

However, significant changes have taken place in the international system in the last few decades. The growth of the destructive power and number of nuclear weapons has made the prevention of war a central objective of Soviet foreign policy. The continuing integration of the world economy also demands increasing cooperation from the world's nations.

At the same time the communist parties have lost ground in all the Western European countries since the economic restoration after World War II, the Soviet Union's state interests are a more decisive factor today in determining the kind of policy practiced with respect to individual communist parties.

Since Western European communist parties do not have any previous parliamentary significance, the CPSU can devote more attention than previously to ideological questions. This is what has also happened with respect to the SKP. According to the CPSU's assessment, the SKP does not have the prerequisites for becoming a significant parliamentary factor. Therefore, attention can be directed to the manner in which the SKP interprets Marxism-Leninism.

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POLITICAL

FINLAND

PAPER DEFENDS NEED FOR 'NONOFFICIAL' DISCUSSION OF USSR TIES

Helsinki HELSINGIN SANOMAT in Finnish 13 Apr 85 p 2

[Editorial: "Foreign Policy Coming Down from Ivory Tower"]

[Text] The patriarch of Finland's foreign policy frequently pointed out that the beginning of all wisdom lies in a recognition of the facts. The fundamental geopolitical fact is the common border of Finland and the Soviet Union. There is no wisdom in people who do not take this into consideration.

J. K. Paasikivi, Urho Kekkonen, and Mauno Koivisto have built an official foreign policy on a recognition of this fact. The Soviet Union's foreign policy leadership has taken note of this in an approving manner from one generation to another.

In a recent newspaper debate Prime Minister Kalevi Sorsa stated that Koivisto has exploded the mystique of the power of the presidency. With this statement Sorsa drew comparisons to Koivisto, who talks about foreign policy in original words and parables and unmasks the mystique of power from it also.

During Paasikivi's time foreign policy was, of course, a question of power. After having been defeated in war the nation was forced to make a complete turnaround. Kekkonen was still compelled to continue the same power politics. Koivisto, on the other hand, could take away some of the mystique of the power that gilded foreign policy. Foreign policy is becoming an ever more sensible issue for the nation.

During Koivisto's term the debate on foreign policy has subsided in comparison with earlier years. The official staff of the Foreign Ministry has not kept up with the president, but continues to talk in obsolete terms. For this reason another level of the foreign policy debate has begun to emerge.

This other level is the exchange of opinions between private citizens and organizations. The more animated the unofficial foreign policy debate is in the country, the more stable and broader the basis for democracy and the democratic machinery. Democracy cannot be real or complete without an unofficial foreign policy debate. A continuation of this debate will also consolidate the position of the foreign policy leadership and the country's official foreign policy line.

Thus the discussion of recent weeks about sportsmanlike gibes directed at foreign countries and the Soviet Union, in particular, has touched the root of a permanent unofficial debate. In it the chaff will be separated from the wheat and each new generation will always begin the debate in complete seriousness with the force of a new curiosity. If those who are older have for their part learned the skill of recognizing the facts, they should not deny younger people the right to acquire the same knowledge.

Opinion polls indicate that a Finnish people conducting a live unofficial foreign policy debate will give full support to an official foreign policy and, in addition, will understand its criteria.

Ninety-five percent of the population considers that Finland's foreign policy has been managed well in recent years. Approximately 85 percent says that the YYA [Friendship, Cooperation, and Mutual Aid] Pact is positive from the point of view of the country's international position. Both percentage figures have risen in recent years without, however, increasing to a full 100 percent, which would be a false figure in these matters.

It is doubtful that in the world there are a people who are more unanimous about their foreign policy. The Soviet Union's foreign policy leadership will certainly be in full agreement with this. Correspondingly, our Nordic neighbors and the Western defense alliance including the United States consider Finland's policy line to be stable and predictable. They consider the official line also to be completely honest due to the unofficial foreign policy debate.

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POLITICAL

FINLAND

STALINIST CP FACTION APPEALS TO OMBUDSMAN ABOUT SKDL ACTS

Helsinki HELSINGIN SANOMAT in Finnish 12 Apr 85 p 15

[Article: "Minority Takes Party Support Issue to Ombudsman"]

[Text] Five Taistoite [Stalinist] MP's have lodged a complaint with the Parliamentary Ombudsman about the manner in which the SKDL [Finnish People's Democratic League] and the SKP [Finnish Communist Party] use party support.

In the complaint lodged on Thursday it states that the SKDL and the SKP have used and are using party support for propping up the power of a rather narrow leadership and for suppressing opinions differing from those of the leadership.

Reference is made to the new district organizations established by the present majority leadership. According to the complainants, party support funds, which were previously in the use of the former districts, are being channeled to the new districts set up along side of the eight minority districts. "Thus the SKP's present leadership is using funds obtained from the state in a manner contrary to the intent of the party law for restricting the opportunities of its members to exert an influence and for supporting public activities not approved by the regulations and the general program," states the request for a clarification.

The MP's are asking the Ombudsman to determine whether the directives contained in a statute of the Council of State and the supervision actions taken by it are sufficient to guarantee that party support is used in accordance with the party law and its purpose.

The complaint was signed by minority Communist MP's Matti Kutto, Ensio Laine, Mikko Kuoppa, Marja-Liisa Salminen, and Marjatta Stenius-Kaukonen.

The internal split in the SKP has previously resulted in court actions. On 29 April the Helsinki Municipal Court will hear proceedings brought against the legality of the party's extraordinary congress.

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FINLAND

LEADERS ACT TO EASE CONCERN OVER COMMENTS ON USSR TIES

Helsinki HELSINGIN SANOMAT in Finnish 12 Apr 85 p 13

[Article by Arto Astikainen: "Warnings About USSR Comments Do Not Mean A Disciplining of the Press"]

[Text] The recent speeches, stands, and warnings coming one after another by the president, the foreign minister, the Foreign Ministry's experts on relations with the East, and the chairman of the Peace Defenders on taunts, insults, criticism, and ridicule directed at the USSR do not represent a disciplinary campaign orchestrated by the Foreign Ministry against the media, publishers, and politicians, but normal foreign policy actions which represent a desire to deal with neighborly relations responsibly and to issue a reminder of Finland's position.

This is the explanation and assurance given by the Foreign Ministry. According to it, nothing dramatic has occurred in relations with the East either. The issue has come up in "views independent of each other since recently there has been a more than usual number of negative statements about the USSR".

The media, in particular, has expressed astonishment at what kind of hush-up or disciplinary campaign is now in operation since one foreign policy mover after another is issuing warnings about Soviet relations.

Ruokola Began

The opening was made 3 weeks ago by Matti Ruokola (Center Party member), director of the National Board of Health and chairman of the Peace Defenders. He said in an interview with KESKISUOMALAINEN that in Finland there has been a trend to disparage and even ridicule Finnish and Soviet relations. Young politicians, in particular, are disregarding foreign policy, and not every speech emphasizes Eastern relations in segments dealing with foreign policy, worried Ruokola. He considered the disparagement of foreign policy to be especially dangerous.

A few days later President Mauno Koivisto brought up Soviet relations in a meeting with the chief editors of centrist newspapers. He expressed concern about the fact that "all kinds of little things" are happening in Finland: In Finland there is a sporting spirit about who can chip off the largest piece

at the expense of the Soviet Union. This kind of chipping away is being done clearly with the intent of insulting the Soviet Union according to Koivisto.

Koivisto emphasized that Soviet relations are the most important and the most sensitive for Finland.

The president was followed by Foreign Minister Paavo Vayrynen (Center Party member) in an interview with the Center Party's SUOMENMAA. He considered it so important that he devoted attention to that "which is made public". The media must be reminded of its responsibility in an appropriate manner, noted Vayrynen.

At the same time, IZVESTIA published an interview with Koivisto, in which he pointed out how Finnish and Soviet relations require constant, daily care.

A couple days later he is joined by Docent Juhani Suomi, a consulting official specialized in Eastern relations in the Foreign Ministry. At a meeting of the Peace Defenders he warned against individual thinking on foreign policy: the practicing of foreign policy by private citizens should have its limits. If a sense of responsibility is forgotten, the state leadership should interfere.

Embassy Became Involved

The Foreign Ministry leadership is now saying that this series of views is not an orchestrated campaign to hush things up. The Foreign Ministry wants to keep Ruokola's foreign policy statements, in particular, in their own class. Juhani Suomi's references to the practicing of foreign policy are interpreted to mean Ruokola, whom some officials would gladly muzzle.

The Foreign Ministry also wants to give the impression that it became involved in the so-called anti-Soviet statements completely on its own initiative, but other information indicates the contrary.

Foreign policy observers who will remain anonymous say that the Soviets expressed their concern about these negative phenomena to them even before President Koivisto became involved. The embassy on Tehtaankatu [Tehdas Street] brought to the attention of the Foreign Ministry a television game on the Finnish market called Raid over Moscow, in which one can by means of a home computer conduct a raid on Moscow and attack the Kremlin and Soviet leaders.

Moscow, for its part, has given attention to Finnish newspaper articles. The Soviets have set their sights on the Social Democratic Youth LIPPU paper's "Neukuekstra" [Soviet Extra?], the Construction Workers' Union's RAKENTAJA paper, YDIN, and on men's papers writing about Soviet spies, among others.

According to the foreign policy experts, there were enough signals that the foreign policy leadership began to prevent "danger in advance". Attention was given to these negative phenomena in Finland and at the highest level before the Soviet Union became publicly involved in this matter in the columns of PRAVDA. There would probably be commentaries on PRAVDA's articles in Finnish newspapers and thus the snowball would only grow.

President Koivisto's statements on Finnish "gibes" were reported in the Soviet media. Koivisto's statement to centrist editors was reported in TASS. However, the words "most sensitive" were left out of the statement in which Koivisto pointed out the importance and sensitiveness of Eastern relations.

Jussila and YLIOPPILASLEHTI

There has been one common trait in the stands taken by Finland's foreign policy decision makers: no one has individually defined what in recent weeks has constituted taunts, insults, or any other kind of gibes directed at the Soviet Union.

No light will be shed on this from the protection of anonymity in the form of official statements. In addition to the above-mentioned video game and newspapers, Osmo Jussila's recently published book on the Terijoki Government has been considered in Finland to be a phenomenon negative toward the Soviet Union. "It is a rather prejudiced and, in fact, opinionated book, in which Jussila compiles only one interpretation and only one point of view with the authority of a historian", says an anonymous book review coming from a foreign policy decision maker.

One of the inspirations for President Koivisto's stand is known to be the lead article published in YLIOPPILASLEHTI [University Newspaper] immediately after President Konstantin Chernenko's funeral. In the article Cherenenko is wished a quick recovery and reference is made to what it is like under totalitarianism: nothing bad can be said about someone who is seriously ill.

In addition to the newspaper articles and books, there have been other small incidents in Finland which according to the experts have caused "misunderstandings" in the Soviet Union. One example is from last week. Not one important minister attended the YYA [Friendship, Cooperation, and Mutual Aid] Pact reception at the Soviet Embassy in Helsinki so that the ambassador could invite a representative of the government to the usual dinner table in the adjoining room. The prime minister, the foreign minister, and the foreign trade minister, among others, were absent. The incident resulting from the Easter weekend has been cleared up by consultations.

The SDP's Youth League, for its part, has clarified its neukkuekstra by an apology sent to the Soviet Embassy.

In an article released to the world's networks an editor of the international news agency REUTER interpreted the events in Finland in a way that Finland's journalists now seem to have decided to turn their backs on self-censorship, "which has controlled their work for many years".

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FINLAND

POLITICAL YOUTH GROUPS IN DISPUTE OVER MOSCOW FESTIVAL

Helsinki HELSINGIN SANOMAT in Finnish 10 Apr 85 p 9

[Article: "Youth Groups Bicker Over Who Goes to Moscow"]

[Text] A dispute has arisen among the political youth groups as to who will make up an approximately 400-member official delegation from Finland to the World Youth and Student Festival in Moscow next summer. According to Conservative Party youth, the intent is to eliminate the representation of nonaligned youth organizations completely from the delegation. Other parties are including nonaligned youth in their party quotas.

In Finland preparations for the Moscow festival have been made by a festival association, in which there is a total of approximately 60 organizations, trade unions, the SAK [Finnish Confederation of Trade Unions and the TVK [Confederation of Salaried Employees], environmental organizations, peace organizations, Finland's Youth League, Kaleva Youth, Christian University Students, among others in addition to the youth and children's organizations of the political parties. The Youth 12 Festival will be held in Moscow in July and August during the CSCE festivities.

The working committee of the festival association has planned that Finland's official delegation will be comprised in the following manner: of the 400 available delegate positions, the cultural and sports group as well as technical aides will take 80 and the remaining 320 positions will be divided in such a way that 125 will be given to the Communists, 115 to the Social Democrats, 60 to the Center Party, and 20 to the Conservatives.

According to Conservative Party youth, such a distribution would mean that nonaligned youth and their organizations would be completely disregarded.

Chairman Erkki Vuorenmaa (Social Democrat) of the festival association's working committee disputes such an allegation. According to Vuorenmaa, each member organization of the festival association will have at least one representative in the delegation.

Approximately 1,000 youth, from whom the delegation will be comprised, have declared their willingness to join the delegation according to Vuorenmaa. Among this 1,000, 36 are not aligned with any political organizations and among them

approximately 25 will be included in the delegation. However, no quota has been planned for the nonaligned, but they will be included in the political quotas in such a way that each political group will be obligated to include some of these nonaligned delegates in their lists. According to Vuorenmaa, Conservative youth have not, however, consented to such a procedure.

The delegation will include Greens, environmentalists, and other festival activists, says Vuorenmaa. According to him, "it has been necessary to assign political quotas" and at the Havana festival in 1978, for example, the positions were distributed purely on a political basis. Even then Kaleva Youth representatives, for example, were included in the Social Democrats' quota.

According to Vuorenmaa, it is difficult to distribute positions in such a way that each member organization of the festival association would receive its own quota since the organizations are of varying sizes and thus youth not belonging to organizations would be left out. Now this is not happening, assures Vuorenmaa.

The names of the festival delegates will be announced in a couple weeks. The decision will be made by the festival association's governing board, which is directed by MP Markus Aaltonen (Social Democrat). The board will convene again on Thursday.

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POLITICAL

NORWAY

CHRISTIAN PEOPLE'S PARTY CONGRESS BACKS COALITION ROLE

Bondevik Popular, Strong Chairman

Oslo AFTENPOSTEN in Norwegian 20 Apr 85 p 3

[Article by Einar Solvoll: "Kristiansen Fought, Bondevik Takes Honors"]

[Text] After nearly 2 years in the government building, the Christian People's Party is gambling on 4 more years in the government. It is just that line that a little circle around Kare Kristiansen fought for following the election in 1981. That cost him the post of party chairman. Kristiansen was called "traitor" in connection with the dramatic congress in Oslo 2 years ago. But it was the decisions of that meeting which after a short time gave the Christian People's Party the possibility to enter the expanded Willoch Government. Today's party chairman, Kjell Magne Bondevik, seems to control the power game in the party better than his minister colleague. Bondevik is now reaping the credit from the battle that Kristiansen fought--and won.

In the Christian People's Party it is not always so wise to come right out and say what one thinks. That creates opposition, divisions, intrigue, and makes political enemies. It has proved to be much more appropriate to have first one opinion and then another, and to keep one's inner convictions to oneself--or perhaps only share them with very few confidants.

Therefore there are governmental attacks on the "big brother" Conservative Party, despite the fact that the Christian People's Party knows well that if it is to be a party of ideas seeking support for its view of life, there is nothing to be found in the Labor Party, the Socialist-Left Party or the Liberal Party.

Dramatic

It was a dramatic moment at the national congress of the Christian People's Party 2 years ago in Oslo when the party decided to change policies. The

Tonsberg resolution, which was an obstacle to participation in the government following the 1981 election, would be revised. The attempt to split the Conservatives on the abortion issue had failed. The drama at the Oslo congress was created mostly by old party leader Lars Korvald. He was denied the speaker's platform in the congress hall, but he stole the show nonetheless. He made his speech outside the hall--with the press and broadcasters as his audience. What he had in his heart was expressed in a sharp warning against participation by the Christian People's Party in Willoch's government. This came through to the public despite efforts to stop his speech.

In Government

The Oslo congress elected Kjell Magne Bondevik as party chairman. Kare Kristiansen was defeated, and chose to leave the congress quietly. As a small bandage on the wound, Kristiansen became parliamentary leader after Bondevik for the few remaining weeks of the spring session.

But before the summer was over both Kristiansen and Bondevik were in the government. Kristiansen's line had won--and Kjell Magne Bondevik became a member of Kare Willoch's expanded government as "guarantor" for all the government skeptics in the party.

Bondevik Applauded

The congress here in Trondheim is not applauding Kare Kristiansen. It was party chairman Bondevik who had the pleasure of presenting the list of what the party has accomplished during these 2 years--in the government. And Bondevik concluded by recommending 4 more years in cooperation with the Conservative and Center Parties--which an overwhelming majority of the congress approved.

The arguments were logical and clear, the party's possibilities for gaining influence are in government participation, not in remaining outside. To cause the fall of a Conservative government would be a burden that the Christian People's Party could not tolerate, since the party would have nothing to gain by contributing to the formation of a minority government of the Labor Party. The party experienced this fully at the time the Korvald Government left in 1973 until government participation again became a fact 10 years later.

Lars Korvald became an honorary member of the party. He refused this mark of respect 2 years ago, now he has said yes. He has given up on the government question and confirms that it is no reason to defect.

The circle around Kare Kristiansen during the conflict of 1983 consisted mostly of party colleagues in Hordaland and Oslo--his own election district. But none of these have any high star in the party today, despite their line having won. Those who were the strongest for government participation 2 years ago are still ostracized, even though the party is practically unified on the decision for continued government participation after the fall election.

No Desertions

In the Christian People's Party, government participation has in no way led to desertions. Today's opinion poll gives the Christian People's Party 9.3 percent of the voters--not far from the 10 percent that Kjell Magne Bondevik said in his introductory speech at the congress that he dreams of. The figure is the same as in the 1981 election, when 9.3 percent of the voters gave the party their votes. Most of these expected that there would be government participation in the event of a nonsocialist election victory. The percentage later sank to 8, and further to a bottom figure of 7.6 in May of last year. Since last summer and until February of this year the party has again been above 8 percent.

The Price of Peace

There is relative peace over the government question in the Christian People's Party today, even if there is some smoldering under the surface. What Kare Kristiansen fought for--almost alone--for several years has become Kjell Magne Bondevik's policy. But the laurels have been unequally divided. Kristiansen fought the battle, Bondevik takes the credit. That is the price that must be paid for relative peace in the party--and also for no greater support from the voters.

Paper Analyzes Party's Situation

Oslo AFTENPOSTEN in Norwegian 20 Apr 85 p 2

[Editorial: "Self-Determined Cooperation"]

[Text] The Christian People's Party [KRF] stands securely for the time being on a basis of cooperation. And the party has also had considerable success for its viewpoints during the time it has shared government responsibility with the Conservative and Center Parties. Together with Bondevik, Kristiansen and other party leaders, 270 delegates at the KRF national congress in Trondheim could celebrate the many issues which have been put through, issues of widespread importance for the country and its people.

Consequently it is not surprising that an overwhelming majority at the congress are firmly determined to extend the existing government participation if there is a nonsocialist majority in the election this fall. The outlook for this is without a doubt brighter than in a long time. Today's opinion poll from Norges Markedsdata confirms the recent rising tendency for the government coalition, which in all probability would have had a majority if the election were held today.

When in addition it is seen that the Christian People's Party has clearly crossed the nine percent line for the first time since June 1982--yes, nothing in the world is more pleasant and encouraging for the party's elected than that. Today's figure of 9.3 is exactly the same as in the Storting

election of 1981. At the same time the Conservative and Center Parties also advanced, and the latter more than any other party in the March poll from Norges Markedsdata. This advance on a broad front can be a sign that a quiet mobilization is already taking place on the nonsocialist side before the approaching government election.

Seen against the background of the significant opposition that the idea of government cooperation met when the Christian People's Party had their last congress 2 years ago, it is not surprising that an undercurrent of corresponding opinions became apparent during the current congress in Trondheim. It became clear from the political debate that it is the broad nonsocialist cooperation which gives the Christian People's Party the greatest influence on policies, and that that is really the only realistic alternative in the current situation. But many were also concerned that the Christian People's Party not contribute to the formation of blocs, or the permanent bipolarization of Norwegian politics. Party chairman Kjell Magne Bondevik was able to calm these frightened souls with his assurances that KRF could not promise eternal loyalty to certain parties. In other words: One should never feel totally certain of where the Christian People's Party stands.

Even if we for our part choose to interpret Bondevik as having the best intentions, we find it peculiar that so many at the congress of the Christian People's Party made so much of what they called "the problems" in the present government cooperation. And to the extent that there was criticism of other parties, it was usually directed against the Conservative Party, and almost never against the Labor Party. This undoubtedly appears rather remarkable.

For our part we will not place exaggerated weight on any of this, because now in this election year it should be obvious to everyone that it is more important than anything for the nonsocialist parties to demonstrate the will to stick together. Against this background, it seems to us unfortunate that the parliamentary leader of the Christian People's Party, Harald Synnes, expressed understanding for--as he said--that many "will consider it as a problem if the Christian People's Party continue to stand out as a part of the non-socialist bloc." Such a statement contributes to creating doubt and uncertainty about the party's real position, something that we feel there is no basis for.

For a party of ideals such as the Christian People's Party, it is in the nature of things that there must be a limit to compromise, even if it is difficult to define where that limit is. We recognize that it can be necessary to refrain from government cooperation in order to emphasize a viewpoint. On the other hand it seems obvious that a party of ideals built on the Christian system of values has little--if anything--to gain by cooperation with the Labor Party. Does Synnes or others in the Christian People's Party believe that in such cooperation it will be possible to strengthen the position of Christianity, improve the condition of free schools and give the christian congregations and voluntary organizations the freedom and work opportunities

that they have to operate within the schools, health and social sectors? Or to introduce or even maintain a paragraph of aims for child day care centers? The answers speak for themselves.

Party Election Platform Approved

Oslo AFTENPOSTEN in Norwegian 22 Apr 85 p 3

[Article by Alf B. Godager and Einar Solvoll: "Bondevik: We Will Pass 10 Percent This Year"]

[Text] "The latest opinion poll which gives the Christian People's Party the support of 9.3 percent shows that we are on the move. We are gambling on election victory in September, and that we will surpass the 10 percent figure," said Kjell Magne Bondevik at the opening of the last day of the congress in Trondheim over the weekend--and the party chairman received powerful applause from the optimistic gathering. At a press conference after the congress ended, Bondevik said that the party had come through the debates and platform negotiation without disruptive or damaging conflict.

"This has been a good congress for the Christian People's Party, and something happened every single day," said the party chairman in his summation of the meeting. The young party leader has himself participated in congresses of the Christian People's Party for 20 years.

"This congress has confirmed that the Christian People's Party is different from the other parties," said Bondevik. He added that a party which is in the majority must show the will to cooperate with other parties if they do not want to turn the entire political arena entirely to the two major parties. Bondevik said that on individual points of the platform the party has sharpened its policies.

Space Weapons

Among other things this applies to the question of space weapons research, on which Bondevik said that the party has sharpened its language in relation to the statement from the government, without the platform issue thereby being in conflict with the contents of that letter from the Foreign Ministry.

The party leadership was asked a series of questions by press people about the importance of that resolution. Kjell Magne Bondevik said that one thing is what the Christian People's Party adopted in its platform. But that is not synonymous with the congress shaping compromises which must be made on the government level. It does, however, give a warning about what the party believes--in the same way that one can conceive of the Conservative Party at

its congress next weekend sharpening certain platform issues without their being binding for the other parties in the coalition government.

Media Advertising

The resolution by the congress about advertising was characterized at the press conference as the party leaving the "door ajar" for introducing advertising by the next Storting group. The party can accept an experimental operation for a limited time, if developments in neighboring countries and the policies of the media make it natural.

But Bondevik had no confidence in an experimental operation intended to begin a permanent advertising operation. Nor did he believe that the press of the Christian organizations would weigh heavily on this issue, since the money for the advertising would go to radio stations which transmit "lighter programs," as he called it. Bondevik concluded by saying that the new parliamentary group in the fall or through the winter will draw up lines of direction for further use of the media.

The leader of Christian People's Party Youth Organization, Kristin Aase Bergem, said that the youth movement does not want advertising on radio and TV, and therefore wants to continue to play a roll as as a braking effect in the party on this issue.

On the other hand she was more satisfied that the youth organization's pressure on the mother party to increase appropriations and investment in developing countries had succeeded so well. She said that the foreign aid which the Christian People's Party has approved can act as a pressure on the Conservative and Center Parties in the government to conduct a more radical foreign aid policy, as she called it.

12-Point Program

On Saturday the congress approved a 12-point program indicating which issues the party wants especially to fight for during the next 4 years. It is concerned partly with traditional philosophy of life issues, but also with foreign aid, disarmament and peace, economic policies based on the responsibility of managers, the right of everyone to jobs, the family as the basic unit and strengthening of the economy of families with children, health policies with emphasis on preventive work, financial security for the elderly and flexible pension age from 65.

The Christian People's Party wants to improve municipal economies and introduce better home financing.

SDI Plank Announced

Oslo AFTENPOSTEN in Norwegian 22 Apr 85 p 3

[Article by Alf B. Godager and Einar Solvoll: "Conflict Over Space Weapons Is Solved"]

[Text] The passage of a resolution at the Christian People's Party congress in which it said that Norway must oppose all plans for military augmentation in space, including commencement of research programs in that area, is not in conflict with the government's position.

Party chairman Kjell Magne Bondevik interpreted the platform issue that way on the last day of the congress. The background was a protest by Minister Kare Kristiansen about the method of voting.

Kristiansen said that the approval of the resolution took place at the end of the meeting on Friday, and many of the delegates clearly did not know what they were voting about. He feared that the platform issue could be interpreted as being in conflict with the government's view on space weapons, which was expressed in a letter from the Foreign Ministry to the Storting Foreign Affairs Committee, among other things.

Bondevik said that the resolution was directed against the augmentation and research in East and West, and the congress approved that with applause.

Bondevik Emerges Unchallenged

Oslo AFTENPOSTEN in Norwegian 22 Apr 85 p 3

[Article by Alf B. Godager and Einar Solvoll: "Unopposed Number One"]

[Text] Kjell Magne Bondevik's position of leadership in the Christian People's Party is unopposed. Despite the written ballots at the congress there was not a single blank ballot submitted nor any opposing candidate. Immediately following his election at the congress circular badges were passed out to the delegates with pictures of the reelected party chairman and the inscription "Kjell Magne Thinks of Everything" and "Weakness Becomes Strength With Kjell Magne."

Minister Bondevik's undersecretary, Anne-Olaug Ingeborgrud became his first vice chairman. She received 216 votes, and 8 were blank. Business consultant John Tveit from Rogaland became second vice chairman with 150 votes, and his opponent teacher Arne Mikal Landro from Hordaland received 77 votes.

Besides the congress elected the following members to the new board of directors: Fishing captain Jon Angelsen, Nordland; Minister Reidun Brusletten,

Buskerud; Minister Bondevik's personal secretary, Dagfinn Hoybraten, Akershus; teacher Arne Mikal Landro, Hordaland; and cultural secretary Jon Lilletun from Vest-Agder. Other members are parliamentary leader Harald Synnes; the leader of the Christian People's Party Youth Organization, Kristin Aase Bergen and the leader of Christian People's Party Women's Organization, Solveig Solli.

It is worth noting that Minister Kjell Magne Bondevik was able to retain the entire leadership of the Ministry of Church and Education in the leadership of the Christian People's Party following the elections at the congress in Trondheim.

9287
CSO: 3639/107

POLITICAL

PORUGAL

YOUTH POLL FINDS LITTLE INTEREST IN POLITICS

Lisbon DIARIO DE NOTICIAS in Portuguese 3 Apr 85 p 4

[Text] About 49 percent of the Portuguese youth have very little interest in politics, and another 14 percent have no interest, according to a poll taken by the Office for Social Studies.

According to the preliminary results of the study (to which the Portuguese News Agency did not have access), directed by Prof Manuel Braga da Cruz and based on a sampling of 900 persons 15 to 29 years of age located from the north to the south of the country and chosen according to geographic, ecological-demographic and occupational criteria, only 5 percent revealed considerable interest in politics and 28 percent moderate interest.

A right/left scale showed the majority to be in a broad center-left position. Here are the results: extreme Left--3 percent; Left--19 percent; center-Left--16 percent; center position--16 percent; center-Right--10 percent; Right--12 percent; and extreme Right--2 percent.

The poll concludes "that the average political posture of Portuguese youth does not differ from that of adults."

The study was aimed at determining "the intensity and exclusiveness of sentiments motivated by politics" among the youth. The majority, 51 percent, showed moderate feelings, 34 percent expressed indifference and only 13 percent claimed to be intensely interested in this sector.

Questioned whether they would marry an individual with a different political persuasion, the vast majority of the youth answered affirmatively: 55 percent said yes, 30 percent also said yes but "only under certain conditions," and only 11 percent gave a definite no.

With regard to the degree of confidence in the present political system, only 6 percent said that they had confidence, 34 percent a certain amount of confidence, 32 percent a considerable lack of confidence and 22 percent no confidence.

Concerning the multiple party system, 36 percent expressed confidence, 50 percent a certain lack of confidence and 9 percent no confidence.

The poll revealed that "the vast majority of the youth are in the lowest echelons of social activism" and that on the subject of electoral nonparticipation the figures are high.

"Habitual nonparticipation," says the poll, "is reported by 20 percent of the youth and what could be called fluctuating or inconsistent participation accounts for another 23 percent. Thus, only 36 percent of the youth assert that they regularly participate in elections."

8568
CSO: 3542/161

POLITICAL

PORUGAL

POPULATION GROWTH, SHIFTS NOTED

Lisbon DIARIO DE LISBOA in Portuguese 26 Feb 85 p 15

[Text] In spite of a low birth rate, we have already reached 10 million, counting returning emigrants.

The resident Portuguese population must have grown in 1982 and 83 by a little more than 216,000, according to estimates recently published by the National Institute of Statistics (INE). At the time of the previous census in 31 December 1981, the resident population numbered 9,833,014, and the INE's estimates for 31 December 83 totaled 10,049,700.

The study published by the INE is authored by Maria Jose Carrilho and makes the following principal points: on the one hand, the birth rate is dropping even faster than the decline in the death rate, which would lead, in principle, to a real decrease in the resident population; on the other hand, the return of the emigrants has been intensifying, making up for and even exceeding the losses resulting from the reduced natural growth rate.

Between 1981 and 83 the birth rate fell from 15.2 to 14.4 (about a point) and the death rate from 9.7 to 9.6, only about a tenth. So the natural growth rate in those two years fell from 5.7 to 4.8.

Simply put, the INE's estimates indicate an effective growth rate of from 0.7 to 0.8. The reasons for this discrepancy are attributed by researcher Maria Jose Carrilho to the return of the emigrants. "In these last three years," she comments in the bulletin of the INE's Center of Demographic Studies, "Portugal has registered the lowest natural figures, but in spite of this, the population has evolved at an average annual rate of 0.8 percent. At the present time the return of the emigrants seems to be the factor controlling Portuguese demographic growth. Among the migratory movements, this return stands out as the most important quantitatively."

The world economic situation and the restrictive measures imposed by the countries traditionally taking in Portuguese emigration have been gradually choking off emigration and, quite the opposite, even driving back to their country of origin many of the emigrants who went out in the sixties and seventies.

In other words, the mechanisms that conditioned the evolution of the demographic situation at the beginning of the seventies are the direct opposite of those pertaining in the eighties: back then, the country was becoming depopulated, but that emigrant population is now coming back en masse, as is the case with the Portuguese who came back from Africa in the second half of the seventies when the African colonies became independent.

All this has meant that the mainland Portuguese population, together with the population of the autonomous regions, in 1983 for the first time in our history passed the 10 million mark.

The net migratory figure (the difference between returnees and new emigrants, who are still going to some countries) was 19,000 in 1980, 16,000 in 81, 1000 in 82, and 32,900 in 1983.

Interior Continues to Lose Population

In spite of being areas of heavy emigration, which have thus recovered some of their former inhabitants who left in the sixties and the first half of the seventies, the districts of Beja, Portalegre, Castelo Branco, Evora, and Guarda are still losing people, with their population dropping between 1980 and 1983.

Data published by the National Institute of Statistics for those years, although offering no explanation for the population decline, leave two suppositions implicit: many of the emigrants from the interior ended up settling down in the more prosperous areas along the coast, where their savings go further and they can earn a living from the skills they acquired abroad, while the younger population has not yet reversed the dominant tendency of recent decades to move to the cities and the new industrial centers.

Between 1980 and 1983, the mainland population rose by 230,700 persons (115,400 men and 115,300 women), but the district of Beja lost 2700 residents, Castelo Branco 2300, Evora 1100, Guarda 2100, and Portalegre 1400.

The districts that grew most were Porto (53,000), Setubal (45,000), Lisbon (34,000), Braga (30,500), and Aveiro (19,300). All the others not mentioned saw their population increase by less than 10,000, including the Autonomous Regions (9,500 for Madeira and 5,400 for the Azores).

12430
CSO: 3542/134

POLITICAL

PORUGAL

25 APRIL ASSOCIATION TO LOSE HEADQUARTERS LOCATION

Eviction Confirmed

Lisbon A TARDE in Portuguese 25 Feb 85 p 4

[Text] The "25 April Association" has confirmed to the Portuguese News Agency that the General Staff of the Army has given it "notice to return the installations by the date of 30 October 1985."

A member of that association told the same source that no thought had yet been given as to any other location for the association, which has been housed for about two years in Bom Successo Fort in the Belem section of Lisbon.

The reason given by the general staff for the return of the premises was "a reorganization of the Army."

Satisfaction Expressed

Lisbon O DIABO in Portuguese 26 Feb 85 p 20

[Text] The "25 April Association" has finally been notified to vacate within eight months the Bom Successo Fort, a public building that it has scandalously transformed for almost the last two years into a nest of the vultures who, since 1974 together with various migratory fowl, have been descending voraciously on the remains of a country betrayed and vilified. It was about time. What still has to be done is to demand an accounting of that scam from ex chief of staff Garcia dos Santos, who was the one responsible, as is well known, for turning over the fort to that disreputable association of opinionated and backward-looking idiots of the craziness and insolence of the PREC.

12430
CSO: 3542/134

POLITICAL

PORUGAL

BRIEFS

DE SOUSA STILL BACKS JARDIM--"I never let a friend down," guaranteed Marcelo Rebelo de Sousa in connection with comments suggesting that the PSD leader had already cooled on the presidential candidacy of Alberto Joao Jardim. The statement was made in Coimbra after a meeting of the social-democrat leaders with local party stalwarts that had been regarded as a "test of fire" for the new leaders. At the same meeting . . . Rui Machete rejected allegations of attempting to move up the elections and denied that the appointment of Vitor Constancio to the Bank of Portugal might lead to a crisis in the coalition. Machete said that he had merely criticized the fact that the future governor was not more detached from the parties.
[Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 3 Mar 85 p 1] 12430

RESPONSE TO SOARES TV INTERVIEW--Soares "was pleasant" but "offered nothing new" according to TV viewers. A poll commissioned by the prime minister shortly after his interview last Tuesday on the television program "Actual" indicates that 70 percent of those queried liked the way Soares handled himself, while 28 percent said they did not, and 2 percent did not respond. The poll, conducted by the Norma organization, was drawn from a sampling of 378 contacts distributed as follows: 48 in Lisbon, 102 in the suburbs around the capital, 57 in Porto and 71 in the suburbs of that northern city. Of the interviewees, 134 were male and 244 were female. Other questions also asked were whether Mario Soares had been "clear enough" or "not very clear," to which the responses were 64 percent positive and 34 percent negative. The question of whether the prime minister had left an expectation of "hope" or of "pessimism" were favorable from 67 percent of the answers and unfavorable from 30 percent. When asked about whether Soares's TV interview had offered anything new in the present political scene, the majority of those polled said that it had not. In its conclusion the Norma polling indicates that it was in the greater Porto area that the interview had its biggest success. [Text] [Lisbon EXPRESSO in Portuguese 2 Mar 85 p 3] 12430

CSO: 3542/134

POLITICAL

SPAIN

POLL REVEALS DOMINANCE OF PSOE, GONZALEZ CONTINUES UNCHALLENGED

Madrid TIEMPO in Spanish 11 Feb 85 pp 36-39

[Article by Juan Diez Nicolas]

[Text] The question of leadership has become an especially important issue in recent months, particularly in connection with the center and the right. The names of Fraga, Roca and Suarez, along with a few others, are, either together or separately, the subject of countless commentaries and analyses as future election rivals.

It should be noted that questions on election coalitions and different leaderships are always difficult to formulate and the first matter to be decided is always to what portion of the electorate they should be put. For example, it would not seem very meaningful to ask AP [Popular Alliance] voters or those on the right who the leader of the PCE should be, or vice versa. Consequently, and in order to avoid confusing (or deceiving) public opinion, it should be clearly explained what suppositions and reasonings led to a given question (and not another) put to specific sectors of the voters (and not some other group).

When first approaching the problem of who forms the leadership of the center and the right (that of the left seems to be decided with Felipe Gonzalez), the OTR/TIEMPO asked, in its September 1984 poll, all persons interviewed -- except those who had manifested their intention to vote for the PSOE [Spanish Socialist Workers Party] or the PCE -- what their preferences for election coalitions and leaderships of the center and the right were.

Consequently, the question was only put to 66 percent of the total sampling (34 percent had declared they were PSOE or PCE voters). The result was that 23 percent (of the 66 percent mentioned) supported a single party that would fit into the center and the right and headed (in a spontaneous response) by Fraga. Another 14 percent supported having a single party of the right and another center party and the leaders (also spontaneously mentioned) would be Fraga and Suarez, respectively. Finally, 13 percent wanted the current situation (several center parties and several parties of the right) and 50 percent did not answer the question.

With the experience of this first survey, the OTR/TIEMPO poll for January 1985 advanced more specific alternatives, which in addition could detect the possible impact of the different coalitions on sectors of the electorate not of the center or the right. In fact, based on the broadly verified relationship between the political definition of those interviewed on the ideology scale and their voting intentions, the questions were put to all those interviewed, except those who place themselves on the extreme left and the left (the vast majority voting for the PCE and the PSOE).

Consequently, the questions were put to 74 percent of the sampling. The alternatives presented to this sector of the electorate were as follows: 1) broad coalition of the entire right and the center, including the AP (and related parties, the PDP [People's Democratic Party] and the UL [Liberal Union], the PRD [Democratic Reformist Party], the CDS [Democratic Social Center], the CiU [Unity and Convergence Party] and the PNV [Basque Nationalist Party], with four leadership alternatives: Fraga, Roca, Suarez or another leader); 2) AP coalition (and related parties) and the PRD, with three leadership alternatives: Fraga, Roca or another leader; and 3) PRD and CDS coalition, with two alternatives: Roca or Suarez.

Those interviewed had to specify, in each of these situations, what their voting intentions would be (for the corresponding coalition or for any other party of the right, center or left). Naturally, in each of these alternatives, it was assumed that 26 percent of the voters, who are on the left or extreme left, would vote based on their voting intentions if the elections were held tomorrow. Obviously, this assumption benefits more the PSOE and the PCE than the parties of the center or right, for it presumes that the voters would not be influenced by the coalitions indicated (it must be borne in mind that only 6 percent of these leftist voters indicated their intention to vote for parties of the center or the right).

Conclusions

The main results can be summed up as follows:

1 -- Assuming the major moderate and rightist coalition (AP, PRD, CDS, CiU and PNV), the results obtained would be, given the four alternatives of leadership, lower than the sum of voting intentions of each of the parties separately. However, in addition, assuming Fraga's leadership, the PSOE receives more voting intentions than what it would obtain if there were no great coalition. Whatever the case, of the four possibilities of leadership, the most favorable for the great coalition and the most unfavorable for the PSOE would be under the leadership of Adolfo Suarez.

2 -- Assuming an AP-PRD coalition, the result for this coalition would be somewhat better than if each of the two parties were separate (except if the leader were someone other than Fraga and Roca). Furthermore, the result would be more favorable for this AP-PRD coalition if the leader were Fraga

rather than Roca. Third, if one adds to the AP-PRD coalition the voting intentions that would be obtained by the CDS, CIU and PNV, then the result would be somewhat better than was initially the case (if all the parties were separate), assuming the leadership of Fraga. However, in any of these three cases, the sum would be lower than voting intentions for the PSOE.

3 -- Assuming a PRD-CDS coalition, the result for this coalition would be much better than if each of the two parties were separate, especially if the coalition were to be headed by Suarez. If one adds to the PRD-CDS coalition the votes that would be separately obtained by the AP, CIU and the PNV, then the result would be better than initially (if all parties were separate). Assuming the leadership of Suarez, the sum would be greater than voting intentions for the PSOE.

In short, it would seem that one can claim that the leadership of Suarez would be more beneficial in a PRD-CDS coalition, even in an assumed great coalition, this not only because voting intentions for any of these coalitions would increase, but also because his leadership is the one that would most reduce voting intentions for the PSOE.

At the present time, it can be said that the only political leaders with a truly major public image among all (or part of) the voters are those mentioned: Felipe Gonzalez, Suarez, Roca and Fraga. Anyone else would first have to achieve greater familiarity among the voters, plus a good opinion. The OTR/TIEMPO polls of September 1984 to January 1985 reveal the following picture. Among the leaders of the PCE, only Carrillo continues to be very well-known (around 80 percent), naturally far ahead of Gerardo Iglesias (63 percent) or Curiel (21 percent), but the three have similar figures, under 4 points.

Of the PSOE leaders, Guerra, Boyer and Moran are known to over 75 percent of the voters and of these, the best liked is Moran (about 5 points), while Boyer and Guerra vary between 4.5 and 5 points. Narcis Serra and Barrionuevo are known to over 60 percent and receive about 5 points. Maravall, Almunia and Ledesma are known to some 50 percent of those polled, but with about 5 points for Maravall to 4.6 for Ledesma.

Regarding center and rightist leaders, Marcelino Oreja and Verstrynge are known to over 60 percent of the voters, but while the former receives about 4 points, the second is under 3. Garrigues, Landelino Lavilla and Martin Villa are known to over 50 percent, with figures of 4.7 for the former and 3.5 for the other two. Alzaga, Roson, Pio Cabanillas and Herrero de Minon are known to some 40 percent of the voters, but while the first two receive about 4 points, the other two fall short of that figure.

Regarding business or trade union leaders, it was shown that Ferrer and Cuevas are known to 40 and 25 percent of the voters respectively, with totals of about 4 points. Camacho and Redondo are known to 75 and 60 percent respectively, with figures of 4.2 points in both cases.

It must not be forgotten that in the OTR-TIEMPO poll of October 1984, it was revealed that 50 percent of all Spaniards over the age of 18 agreed with the phrase: "What we need is a leader with authority who will tell us what we have to do," compared with 38 percent who disagreed. By way of comparison, it will be recalled that the same phrase, included in many polls during the early years of the transition, was always more rejected than accepted. Today, political leadership is possibly more than ever considered indispensable by Spaniards in order to solve the difficult problems of national policy.

Technical Data

Poll conducted by: OTR IS. Sampling: 1,200 persons 18 or over residing in Spain. Aleatory by conglomerates and aleatory route. Conducted from 14 to 19 January 1985, house-to-house. Emopublica, Inc. Tabulation: Unitec-OTR/IS. Directed by Juan Diez Nicolas.

Ideology of the Spanish People [graph not reproduced]

In answer to the question "Where would you place yourself?" among the seven ideological positions provided, the Spanish people distributed themselves equally between the left, on the one hand, and the center and the right, on the other. However, the more detailed distribution in seven positions differs from that of previous months, being more like that of the September OTR-TIEMPO poll.

The left continues to enjoy support more than double that of the right, although relatively equal to that of the center and the right together. In examining the distribution in detail, one observes a major increase in the left, along with a similar drop of the center-left.

On the whole, consequently, one would seem to observe, as in September, a movement toward three clear positions: left, center and right. The center left and center right tend to decline in importance. Whether this variation in the more detailed distribution responds to fluctuations in the sampling or to real changes in ideological definition will only be determined in the months ahead.

Voting Intentions [graph not reproduced]

In evaluating the results of the January poll, one must bear in mind the small increase in the proportion of "Do not know/No answer" (highest proportion in the five OTR-TIEMPO polls), which seems to reflect a certain confusion on the part of the voters, which has constantly grown since October (when the lowest proportion of the "Do not know/No answer" was observed).

The AP continues to drop with respect to previous polls (lowest result in 5 months), and there is also a drop in remembering to vote, sympathy ("might vote for") and rejection ("would never vote for"). The drop in remembering to vote, which in January only represented a little over half of that truly

obtained in 1982, may signify an increase in hidden votes for the AP, but it could also reflect an abandonment of the AP, which might be related to doubts about voting intentions previously expressed. On the contrary, the PSOE maintains its December voting intentions, with a drop in remembering to vote.

The CDS and the PRD are reducing their differences in voting intentions, so that the CDS is only 1.1 points ahead of the PRD. In fact, intentions of voting for the CDS are the lowest in 5 months, while the PRD has reached its peak.

The PCE also seems to confirm its December drop, although it is somewhat lower, and there is an adjustment of its 1982 vote. The regionalist vote (CiU/PNV) is also growing, obtaining the best results of 5 months.

On the whole, consequently, one seems to conclude that the PSOE has retained a stable electorate, although a little under that of 1982, while the center and rightist voters are somewhat more disoriented and unstable.

11,464
CSO: 3548/98

POLITICAL

SPAIN

PSOE'S LEFT WING CRITICIZES ADMINISTRATION FOR DILUTING IDEOLOGY

Madrid DIARIO 16 in Spanish 18 Feb 85 p 5

[Article by Francisco Frechoso]

[Text] A large group of members of the critical faction of the PSOE [Spanish Socialist Workers Party], the Socialist Left, coordinated by Antonio Chazarra, has drafted a 16-page document entitled "The Socialism We Defend and the Socialism to Which We Aspire," challenges the current strategy of the party, questions its internal democracy, the policy of affiliation followed to date, even its future, and, on a more generic level, asserts that "the socialism of southern Europe is turning out to be a disappointing experience."

The document, labeled as "strong" by one outstanding leader of the critics, expresses, in his own opinion, "the majority thinking of the Socialist Left" and with its distribution among all members of the faction, the goal is for it to constitute an ideological point of support looking to the provincial party congresses, most of which are starting to be held now.

"Realism as a Myth," "Socialism and Postmodernity," "Criticism of the Party and Criticism Within the Party" and "Leftist Culture" are the four headings developed in the article preceded by a phrase by Pablo Iglesias, whose textual content is: "Those who deny the class struggle selfishly have no respect for the truth and those who deny it sincerely are suffering from incurable myopia."

Lost Horizon

The document begins with the observation that "realism has been elevated to the category of myth" in a party that has abandoned its utopian horizon and that is not moving in the proper direction, meaning that "we may be cooperating on a tragic pantomime consisting of the fact that the socialist strategy, the methodology and the tactics are separate and even move in the opposite direction of the purposes set forth in our maximum program."

In this sense, the authors of the document lament the fact that the textual quote from the program mentioned has disappeared from the last congressional resolutions, which constitutes one more symptom of the "process of de-ideologization" of the PSOE. This process "has reached alarming levels, to the point that it is not easy to say what the signs of identity of Spanish socialism are. To whom is its message directed? What are its prime tactical objectives? What interests does it try to serve?

The de-ideologization and the "conservative message hidden behind that constant appeal to realism" make the members of the faction think "that we are at a critical and naturally confused time" and they add that "either we agree on who we are, what we want and where we are going or the de-ideologized circumstantialism may be our executioner. We do not want to be alarmists, but there are historic precedents."

In referring to the issue of postmodernity, the document of the "critics" rejects the position that the coming of postmodernity presumes the end of socialism, but they note that its future in our country "is poor if it continues to be diluted, distorted and becomes irreconcilable to its own members, sympathizers and voters. Other elections can be won, and probably will be, but socialism will have lost perhaps irretrievable levels of political trust."

Party-government relations are also the subject of analysis. Society, it is said, should trust more in the party than in the government. "In addition," they add, "we must consider that the possible errors and blunders committed in the execution of the program should be attributed to the government and, insofar as possible, the party should not be involved in the consequences and the attrition stemming from the exercise of power."

On the domestic level, the analysis of the Socialist Left questions internal democracy and the model of leadership. The PSOE will not be a great party, one reads, "if internal democracy is not strengthened day after day or if a Caesar-type model of leadership develops, with orders from the top becoming law and in which, out of negligence, passion, charisma, and so on, there exist men and women who accept these mandates regardless and blindly, even if they go against their deepest convictions."

This accusation of Caesarianism and blind obedience is illustrated with an example taken from the 30th Congress, at which "we have just witnessed many outbursts produced by the dissociation between convictions and obedience to the leader, whose final consequences it is too soon to evaluate."

Separate mention is reserved by the authors of the analysis for what they call "the alluvion members" arriving after 28 October 1982. "Many opportunists and refugees have come to use the party. With great shamelessness, there are those who consider it as an investment office." The authors therefore demand that the "opportunists, the de-ideologized and the corrupt"

be unmasked and driven out, "for with their schemes, they are tainting the historic memory of socialism and the prestige of our organization."

There is also a reference to the party press, "which should be something more than self-praise and self-propaganda." It is a troubling sign for the "critics" that EL SOCIALISTA and the bulletins of the federations should poorly serve the members, who "learn the news about the party and the political positions of the PSOE almost exclusively through the press."

Leftist Culture

The abandonment of leftist culture observed by the analysts of the faction, entailed a "theoretical vacuum" and obvious confusion. Ironically, it is pointed out that "we have now discovered how one can be a pacifist in NATO, inasmuch as the internationalists are on good terms with the Nicaraguan 'Contras' and even generate employment through the channels of the submerged economy."

Among the cultural values lost, emphasis is given to that of the class struggle. The authors of the document wonder:

With regard to socialism on a European level, one should mention the conclusions to which the analysts of the Socialist Left come. "Unfortunately, socialism of southern Europe is turning out -- and we say so openly -- to be a disappointing experience, to the point that the once abused social democrats of northern and central Europe have demonstrated that they are more serious, more effective and that they have a more solid purpose."

The conclusion that emerges from these reflections is not very encouraging, although "we must recognize," they say, "that we have made a mistake, that the so-called socialism of the countries of southern Europe is a failed project and that we should attempt to take another course."

11,464
CSO: 3548/98

POLITICAL

SPAIN

FOREIGN MINISTRY TO UPGRADE NEW YORK CONSULATE

Madrid DIARIO 16 in Spanish 10 Mar 85 p 9

[Article by Enrique Montanchez]

[Text] Minister of Foreign Affairs Fernando Moran intends to strengthen the Consulate General in New York, in view of the increasing need to have adequate diplomatic representation in the economic capital of the United States. The present general director for Africa, Manuel Maria Sassot, who is regarded as one of the most brilliant and most experienced diplomats, will probably be appointed to head it, reliable sources at the Santa Cruz Palace have told DIARIO 16.

The strengthening of the Consulate General in New York will be effected before the summer, to coincide with the retirement of the present consul, Fernando Rodriguez-Porrero. This decision was based on the fact that representatives of the government, above all members of the economic team, who maintain relations with financiers and bankers in the leading U.S. institutions, visit New York quite frequently. The consulate will need to serve as a kind of second embassy to facilitate and provide support for these contacts, independent of the occasional cases in which advertising or specialized lobbying agencies are utilized.

In one instance, the Spanish government, through the Ministry of Defense, found itself obliged to contract for the services of a specialized business, Robert Bendershaw International (RBI), to provide access for the Spanish government to the complex world of the armaments businesses and the Pentagon.

Minister Moran is not opposed to this type of parallel negotiation, but he insists that the state must have a presence in sensitive spots from the point of view of Spanish interests. "It is a secret to no one that the consulate in New York is more important than an embassy in Central Africa," a diplomatic source commented.

There has often been talk of remodeling embassies, but the consulates general, which engage in active diplomacy which sometimes has a much more functional content than that of the embassy in a given country, are rarely mentioned. Sources close to the ministry say that during the summer, appointments will be

made to the approximately 20 consulates general at which vacancies have been occurring since 1 January due to early retirements (Puerto Rico, Genoa, Casablanca, Antwerp, Bayonne, Toulouse, Chicago, Milan, Lisbon, Tangiers, Brussels, New York, Lyons, Pau, Havana and Sydney).

Appointments of consuls are not submitted to the Council of Ministers but are determined by the so-called "revolving lottery" system, whereby once the vacancies have been made known, each aspirant applies for a post, listing cities in the order of his preference. The Diplomatic Career Council, the highest ministerial body, on which, in addition to the directors general, who are political appointees of the minister, each civil service employee, from the ambassador to third secretaries, is represented, then makes the appointments, based on the history and personal record of each aspirant.

Minister Moran is in no hurry to appoint heads of the General International Technical Cooperation and Cultural Affairs Offices. Everything depends on the ambassadorial appointments. For example, the new director of the Office for Cooperation with Equatorial Guinea, Mariano Uriarte, was previously ambassador to Cameroon, a country adjacent to the former Spanish colony.



Manuel Maria Sassot

5157
CSO: 3548/110

POLITICAL

SPAIN

GONZALEZ' RUPTURE WITH REDONDO VIEWED

Madrid TIEMPO in Spanish 18 Feb 85 pp 6-7

[Text] "He's an ass. I'm telling you that Nicolas is an ass." Nicolas, naturally, is none other than Nicolas Redondo. Naturally also, the phrase is not that of the reporter. It was uttered by a minister, specifically, an economics minister who could not, in a moment of anger, control his verbal incontinence. Only days later, they reproduced the scene for "Nico." He swallowed, took off his glasses and tried to keep the expression of pain out of his eyes. Pain and rage. Not because he and especially he could be wounded by the label of the loquacious minister. Rather, because he understood what the well-known anecdote meant, what was behind the attack, as cruel as it was unjust. It was actually another matter. The simpletons of "Felipismo" had lifted the ban on the secretary general of the UGT [General Union of Workers]. They knew one thing: For Felipe, Nicolas was no longer the same person.

What then is happening on the socialist ship? Only that a dangerous waterway has been opened: NATO. And there is a shell inside in the engine room: Nicolas Redondo. The only person, truly, to stand up to Felipe Gonzalez. One very significant detail has not come out, one about which everyone is talking and of which everyone offers documented proof: the speech by the secretary general of the UGT at the last congress. The demolishing address he made against Felipe Gonzalez. And yet, in the final analysis, the papers never come. They are held up by the party machine, which has issued an order that they should not filter through to the press. And with serious threats. That night, Felipe could have lost his first vote in congress. And in fact, he did: 56 votes for Nicolas' report and 55 for Felipe's. To date, this has not been revealed and for one reason: because the recount was repeated. The disputing sides did not agree on the accounting of the results. In a second vote, nominal in order to clarify any doubt, the head of the government saved face: 60 delegates with him; 55 with Nicolas. Felipismo had saved face. But Gonzalez came out of it heavily damaged. For the first time since Suresnes.

That is how things are. The UGT has declared war on the party. Nicolas considers the leftist culture betrayed and Zufiaur -- who has just been

tempted with an official post -- is stirring up the atmosphere of discontent. NATO may become the personal drama of Felipe Gonzalez. He now relies solely on his power as a great communicator. The magician of the word. He will go on the small screen in the final scene of the public debate to ask (without asking) for a "yes" vote on the Atlantic Alliance. But what he will not tell is why Spanish sovereignty has gradually been reduced. To what degree of dependency, both political and economic, we have been reduced by Washington. Why we cannot say no to Reagan. That is Gonzalez' mistake: turning into secrets things which are no longer reasons of state.

He does not have an easy row to hoe. It may be a single act. The party, campaigning for NATO. The General Union campaigning against it. Along with the ecologists, the *federados* of Ramon Tamames, Ignacio Gallego, obviously, Carrillo, Gerardo and, if they are not careful, Adolfo Suarez himself. Naturally, the Duke cannot stand the Americans. He has personally experienced their meddling. They tried to kick Pinochet's intimate friend Todman out of Spain and on two occasions: one, when he was in the Basque country; the other when he traveled to the Canary Islands. The then American ambassador held very compromising meetings. He shamelessly cultivated his contacts with Spanish military men not even remotely resembling constitutionalists. The cocktail parties that Todman held at his home every Thursday made Suarez' hair stand on end. What was to happen then happened and the giant Enders replaced him.

But after all, Felipe was born up and running. The person who could put the leftist platform together is out of circulation. Recovering at the Ruber Clinic from a serious operation, Enrique Tierno Galvan was the man chosen. They had already sounded him out, but only informally. Carrillo was not opposed to the idea. Nor was Iglesias. Nor was Tamames. Even Ignacio Gallego, the "old professor," turned to look at his wife Encarnita. For a few seconds, the memories flooded back. But there was one among all of them who had to smile at the thought, there in his hospital bed. How amusing it was! The left was now coming after him, while he mentally reconstructed an unusual chapter in his personal history. The year was 1963: Enrique Tierno Galvan was then a rank-and-file member of the PSOE. Raul Morodo and Jorge Enjuto were also. Felipe did not yet exist. The Madrid Socialist Federation -- small, practically only present in the university literary groups -- announced his expulsion. "You are not a Marxist." They accused him of being rightist. And they threw Miguel Boyer in his face. How ironic! Yes, "superminister" Boyer. The Cabinet "red" Gonzalez. The one that now does not come to the phone when Nicolas calls him, called him to discuss the reconversion. Or the wage ceilings. Or the restoration of Rumasa to private ownership.

That is the heart of the matter. Felipe has outjousted Nicolas. What is more, he allowed his ministers to do the same. For his part, Nicolas is fed up with making the bed, in addition to being the government's trick. His personal relations are irreversibly broken. They do not speak; they do not esteem one another. Felipe Gonzalez thinks he is Indalecio Prieto

and Nicolas, Largo Caballero. That is what is most serious. The bicephalousness appearing in the night of Spanish socialism. No matter how hard Txiki Benegas tries in his role as a human bridge, the consul general for reconciliation. The UGT has grown tired of so much revelry. Of so much Ramoncin at Moncloa. So many billiard games with Jose Luis Coll. Of so many *berao* necklaces for Carmen Romero. Felipe has forgotten something very important: that Nicolas was his buffer. His Pygmalion. Long before the adulators, the schemers, approached him. Long before big banking and the jet set invited him to their soirees. The same jet set which an illuminated, cheap, Messianic judge is now making blush.

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POLITICAL

SWEDEN

DANISH PAPER VIEWS ISSUES, PERSONALITIES IN ELECTION CAMPAIGN

Copenhagen BERLINGSKE TIDENDE in Danish 19 Apr 85 p 5

[Article by Claes von Hofsten]

[Text] Stockholm--The gap between the two biggest factions in the struggle, the Social Democrats and the Conservatives, has widened. The three non-socialist parties regard a coalition government more as a means than as an end. It is still hard to pinpoint the important controversial issues.

There are only about 4 months to go before the Swedish election. The result is becoming increasingly less certain. And there is not much that is clear-cut in the beginning election campaign.

One cannot help noticing that the differences between the two big participants in the struggle, the ruling Social Democrats and the biggest opposition party, the Conservative Party, have increased steadily. But it is considerably harder to say precisely where the front line in the debate will be drawn.

At present there are five parties in the Swedish Riksdag. In addition to those already mentioned there are two nonsocialist parties, the Center Party and the Liberal Party, plus the communists. But they are all so small that they are not so interesting. However they play an essential role when it comes to which bloc has a majority. The difference between the blocs in Swedish politics has been very slight for some time.

For a number of years the three nonsocialist parties, the Conservative, Center and Liberal parties, have had the formation of a mutual majority that would provide the basis for a coalition government as their overriding goal in an election context. They were successful in doing this in the 3-year election periods that began in 1976 and 1979. That they were unable to stick together after they were in power is another matter.

Unity Weakened

In the campaign that has now started the unity on working for a mutual victory is no longer that evident. It is true that they are aiming at a

three-party government. The Liberal Party, which is the smallest of the three, wants one so that it can become big again. The Center Party cannot say no because nonsocialist voters are not interested in a party that only wants, or more accurately says it only wants, to remain outside a three-party government. The Conservatives want a nonsocialist majority government so they can carry out their policies. To an increasing extent the coalition government has become a means rather than an end.

There are two small parties outside Riksdag that are of interest in an election context. They are the Christian Democrats, KDS, and the Environmental Party, the Greens.

Last fall KDS suggested a coup along with the Center Party. They established what is known as a technical election cooperation, which means that the KDS name will be included on Center Party ballots. In this way the Center Party will benefit from KDS votes. In recent elections KDS has received about 2 percent of the votes. The cutoff line for Riksdag representation is 4 percent.

The coup was severely criticized in almost all quarters and it was also criticized within the parties concerned. The harshest criticism came from the Social Democrats who felt the technical election cooperation was a ploy to circumvent the rule that small parties cannot be represented in Riksdag.

The criticism is not hard to understand when one thinks of how important just 2 percentage points can be when the balance between the blocs is so even. But judging from the opinion polls last winter the cooperation between KDS and the Center Party has not had the success that at least the Center Party was counting on. The party's popularity has declined by more than it picked up with the added 2 percent.

Environmental Issues Important

According to one of the two leading opinion poll institutes the Environmental Party has a chance of getting into Riksdag. The other says the party does not have a chance. If the Greens manage to get more than the cutoff limit a situation would arise that is very difficult to evaluate, especially if the party is the one that tips the scales. It cannot automatically be assigned to the traditional right or left wings in Swedish politics.

In Sweden environmental issues are no longer partisan matters to such a large extent as they used to be. The environment has begun to interest a growing number of Swedes and they now feel that environmental issues are second in importance only to employment on the Swedish political scene. The established parties also pretty much agree that Sweden should put a lot of emphasis on the environment in all areas. Consequently the issue is not useful as a weapon in the debate.

All in all it is difficult at the present time to put a finger on the controversial issues that always seem to emerge in the period leading up to an election. The party that can be said to have given the clearest picture

of what it is working for is the Conservative Party. It has consistently and deliberately stressed the point that the most important reasons for Sweden's economic problems are the large size of the public sector and high taxes.

The message of the Social Democrats is that Sweden is on the right track, that developments in all areas are going in the right direction but that the party needs another election period in which to really straighten matters out after the miserable situation the party says it inherited from the 6-year nonsocialist era from 1976 to 1982.

This time party leader Olof Palme has launched a very early and very extensive campaign trip to bring the positive Social Democratic message to the Swedish people.

Palme Raging

The hottest debates between the Social Democrats and the Conservatives recently have involved an issue that the Swedish public does not usually feel is among the most important ones, namely foreign policy. Olof Palme has raged against the Conservatives with a forcefulness seldom seen in Swedish politics. What has made him so angry is earlier Conservative charges that Palme's government is conciliatory to the Soviet Union and has even presented a double message on the substance of Swedish security policy--an official tough version and a much milder one for use in unofficial contexts.

Thus at the moment the picture of Swedish politics is unclear and there is nothing to indicate that it will become clearer before the election is held on 15 September.

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POLITICAL

SWEDEN

VIETNAM PROGRAM CUTS ENLIVEN FOREIGN AID DEBATE IN RIKSDAG

Stockholm DAGENS NYHETER in Swedish 18 Apr 85 p 8

[Article by Kaa Eneberg: "Aid Increased by 1 Billion"]

[Text] In the long run the Social Democratic government wants to increase the coordination of Swedish aid to developing countries between SIDA [Swedish International Development Authority] and Swedish companies and institutions. Foreign Minister Lennart Bodstrom indicated this Wednesday when Riksdag conducted a long, awkward and obligatory debate before appropriating around 8 billion kronor for Swedish aid for the next fiscal year, an increase of 1 billion kronor.

Vietnam aid--which was cut from 365 to 300 million kronor--and the government's new request for a balance of payments subsidy of 400 million kronor were the only really controversial issues in the debate. The usual great international interest in the Swedish aid debate was conspicuous for its absence on Wednesday. The diplomatic gallery, which is usually filled with diplomats from the countries that receive aid, was half empty.

Since the three nonsocialist parties are calling for Sweden to abandon the present national planning system in favor of long-range planning, Lennart Bodstrom noted in his remarks that the system remains, with certain changes. It has been made more flexible. It is part of the democratization that Sweden wants to work for.

Gratitude Expressed

"This gives developing countries an opportunity to participate in deciding what their needs are," said Lennart Bodstrom. But he pointed out that the reason why the government decided to increase catastrophe funding instead of increasing the so-called national limits substantially was due to a desire for "freedom of action."

Margaretha af Ugglas of the Conservative Party expressed gratitude several times for the foreign minister's conciliatory tone and desire for a dialogue, but she was dissatisfied with the aid to Vietnam, which all the nonsocialist parties want to eliminate.

"It is necessary to find out what Bodstrom will do to improve conditions for the workers in the logging operations at Bai Bang before the board of the aid organization, SIDA, decides next week, as I have heard, whether to grant another half a billion kronor," said Margaretha af Ugglas.

Lennart Bodstrom said that he and SIDA would continue to persuade the Vietnamese that it is advantageous for both humanitarian and social reasons to improve the lot of the workers.

"We will continue to do this and for that reason it is important that we are still involved in Vietnam," said Lennart Bodstrom.

Liberal Riksdag member Rune Angstrom wanted Lennart Bodstrom to issue a statement of principle on his view of aid recipient nations that are guilty of waging aggressive wars. He was thinking not only of Vietnam but also of Angola, which received Swedish aid even before the war of independence with the Portuguese colonial power. A country with Cuban soldiers and Soviet advisers in it should not get aid, Rune Angstrom said.

"Where is the logic in what Rune Angstrom is saying? The Cubans have come at the request of the government and are there to help the country stand its ground against the South African troops who have long occupied the southern part of the country," explained Bertil Mabrink of VPK [Left-Communist Party].

VPK was taunted by the nonsocialists for having backed and salvaged the government's proposal for 400 million kronor in balance of payments subsidies. Sture Korpas of the Center Party said it was irresponsible of the government not to say how the money would be used.

Bertil Mabrink denied that his party acted as a backup force on this issue. He insisted that they were guided by the assurance that the money would be distributed according to the goals set by the Riksdag.

Margaretha af Ugglas also repeated the criticism that Social Democratic aid to developing countries is always "regime-oriented," in other words channeled to socialist regimes. Instead Margaretha af Ugglas wanted the criteria to favor countries with "democracy and a market economy and influence for the individual."

She justified the Conservative demand for cutting aid by 800 million kronor by referring to the difficulty of paying out the entire amount, the so-called reserves that are held in anticipation of payment.

Aid Percentage

"What the Conservatives call a problem just shows that SIDA has good control over its funds. It does not pay money out before a project to be funded has been properly prepared," said Bertil Mabrink.

In an exchange of remarks with Rune Angstrom, Margaretha af Ugglas promised that the Conservatives would also support the so-called 1 percent goal as soon as the payment problem is cleared up.

The Conservative Party is the only one in Riksdag that does not regard the 1 percent goal, 1 percent of GNI (Gross National Income), as "sacred." Their proposed funding is around 0.9 percent of GNI.

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POLITICAL

SWEDEN

'SELF-CENSORSHIP' PREVENTS OPEN DEBATE ON NEUTRALITY POLICY

Copenhagen INFORMATION in Danish 26 Mar 85 p 3

[Commentary by foreign correspondent Per Knudsen]

[Text] Stockholm--The security policy debate is much more free in the NATO countries, according to Swedish researcher Kjell Goldmann, who called for a critical debate on alternatives to Swedish neutrality. He said the credibility of the unaligned policy has been seriously weakened in recent years due to the major powers' increased interest in the Nordic region at a time when Swedish defense has been cut back.

Everywhere in downtown Stockholm, on advertising pillars, in buses and in subways, one constantly comes across posters put up by the National Social Welfare Board urging each Swede to eat "from 6 to 8 slices of bread a day."

Of course this does not mean that it is actually forbidden to eat either more or less but on the other hand no one feels the need to conduct a public debate on the pros and cons of the Social Welfare Board's no doubt well-intentioned advice.

It is taken for granted that even when it concerns one's daily bread the authorities have discovered the proper balance and that there is really no need to discuss it.

Most Swedes feel about the same when it comes to the nation's security policy, which is often boiled down in textbooks to a simple thesis to the effect that Sweden must remain free of defense alliances in peacetime so that it can play a neutral role in the event of war.

Political Dogma

To a very large extent all the political parties in Sweden agree with that basic security policy principle: one could almost refer to the neutrality policy as a universally accepted doctrine, a dogma that has been quite absolute in the security policy debate--at least since the end of the 1940's when mutual Nordic defense cooperation was abandoned and Finland entered

into a friendship and mutual assistance agreement with the Soviet Union while Denmark and Norway joined NATO.

Since then neutrality has been such an unshakable part of Sweden's defense and foreign policies that even researchers in the area of security policy do not usually question it.

Deep Roots

On the contrary, most scholars stress that there are good historical as well as geographical reasons for Sweden's present neutrality policy, which is not merely the result of the postwar East-West division of Europe.

The roots of Swedish neutrality go back over 150 years and the policy has been affected to a large extent by Sweden's location between rival European great powers, first the German empire and Czarist Russia, then Nazi Germany and the communist Soviet Union and now NATO and the Warsaw Pact lands.

Few researchers would deny that the neutrality policy has had its drawbacks, as when Sweden in the name of freedom from alliances continued to deliver iron ore to Hitler's war machine, for example.

On the other hand Sweden is the only Nordic country that was able to stay outside of both world wars in this century--and that is certainly an important reason why it would now take a lot before anyone would so much as think of questioning Sweden's security policy line.

Self-Censorship

Among the very few people who dare to oppose these unwritten norms for the security policy debate in Sweden is Kjell Goldmann, professor of political science at Stockholm University. He is by no means opposed to Sweden's efforts to implement a neutrality policy that promotes peace and detente, on the contrary, but he is very dubious about the tendency to have no public debate on the specific content of neutrality policy--its advantages and disadvantages. Nor is there any discussion as to whether Sweden's independence might be better served by an alternative security policy arrangement.

"There is no doubt," said Kjell Goldmann in a talk with INFORMATION, "that there is much greater freedom to debate security policy in the NATO countries than there is here in Sweden."

According to Goldmann this is connected with Sweden's perpetual "credibility problem": "As a neutral country we are much more dependent than Denmark, for example, on other countries regarding our policy as both stable and credible. If confidence in our independence and integrity is undermined it will become increasingly more difficult to maintain our neutrality policy."

Does that mean that the broad Swedish agreement on security policy also expresses a kind of self-censorship--that they put restraints on themselves?

"Yes, I do not think there can be any doubt about that."

High Treason

Goldmann added that there can be many good national reasons to seek broad agreement on foreign policy, especially in a neutral country.

"But," he said, "this kind of demand for agreement can also be deliberately used in a political way--and has been for many years by the Swedish Social Democrats. They have simply stopped criticism of foreign and security policy by claiming it would be harmful to the nation--even when it involved a critical discussion of domestic policy."

Goldmann said that one could also see examples in other countries of an opposition that attacks the government's foreign policy being accused of something close to "high treason," but he felt tendencies in this direction were particularly strong in Sweden.

Paradox of Freedom

Is the fact that there is apparently less free debate on security policy in Sweden a special price that is paid for the neutrality policy?

"Yes, I think one could say that although it sounds like something of a paradox. After all the argument for Sweden's neutrality policy was that since we were not a member of NATO there were a number of restrictions we did not have. We would be freer. But there are some indications that the opposite is the case. There is no doubt that an open and free security policy debate has been much clearer and more evident for many years now in Denmark and Norway than it has been in Sweden. Here the discussion involves more trivial events."

Here Kjell Goldmann was thinking of such things as last month's political assault on Swedish Foreign Minister Lennart Bodstrom, who at a party with a number of newspaper journalists had apparently made statements that conflicted with the government's official position on the submarine violations of Swedish territorial waters. In Goldmann's opinion the debate concerned more than anything else the opposition's general and longstanding distrust of Bodstrom's personal competence as foreign minister.

"It did not have much to do with the content of neutrality policy, although I have speculated that this could be an almost perverse way of conducting the debate. Perhaps these recurring 'affairs' indicate that here in Sweden there is actually disagreement on security policy after all of the kind we see in other western countries."

Neutrality Policy Undermined

According to Kjell Goldmann the lack of debate on the neutrality policy is of special concern because he feels Sweden's security situation has become substantially weaker in recent years for several different reasons:

"The external conditions for neutrality have changed radically in the last 10 years and this is connected with military strategic developments in northern Europe where Sweden no longer plays a peripheral role in relations between East and West. This is due to several factors, but primarily to the expansion of the Soviet fleet in the Murmansk area and in the Baltic Sea. An intensified conflict in central Europe could also make access to a flank area in the north, i.e. Skane, vital! Add to that the submarine violations near some of our most important naval bases, the activities of NATO and the United States in the North Atlantic area and also the cruise missiles to this generally accepted picture of a worsened security policy situation in the Nordic region."

Against this bleak background Goldmann found it reasonable to ask if Sweden's neutrality policy still fulfills its purpose:

Prerequisites Lacking

"In this country it has long been considered likely, for very good reasons, that Sweden would actually have a fairly good chance of maintaining its neutrality in a war between East and West and that freedom from alliances, when based on a strong defense, would contribute to peace and security in Europe."

But Kjell Goldmann feels that security policy developments in recent years have made this line of reasoning less self-evident than it was in the past.

"Today there is more reason to discuss the possibility that one side or the other is planning to involve Sweden in a European war from the very beginning. Even an isolated attack on Sweden can no longer be completely ruled out. At the same time it is increasingly less certain that the Swedish security policy is really contributing to peace and security in Europe. If Sweden's neutrality policy is undermined, it can have the opposite effect and serve as a destabilizing factor," said Kjell Goldmann.

Cuts in Military Spending

But in Goldmann's opinion it is not just external conditions that are jeopardizing Sweden's neutrality policy:

"While tension has been mounting between East and West, Sweden has been making drastic cuts in its military defense as a result of decisions that were made in the detente period in the early 1970's."

In Goldmann's view that is one of the explanations for the many unsuccessful submarine hunts: "The navy was one of the areas that had the most cuts-- and the priorities here were quite deliberate although they first became really tangible in the 1980's."

To back up his charge that Swedish defense has been cut drastically, Goldmann pointed out that Swedish defense spending in 1972 was 14.1 percent of

the national budget while in 1983, the most recent year for which statistics are available, defense spending amounted to only 8.3 percent.

"That represents a reduction of around 40 percent," said Goldmann, who noted for purposes of comparison that the Danish defense budget declined much less as a percentage of the national budget between 1972 and 1982--from 8.2 to 7 percent.

Consequences

"One can summarize it like this," Goldmann said. "The weaker Swedish defense is, the less credible our neutrality policy is, for it assumes that the West, for example, is confident that: 1) we are capable of deterring the Soviet Union from attacking us and 2) if such an attack takes place we would be able to defend ourselves effectively. And it is just as important that the East is confident that we could withstand pressure from NATO.

Arms Buildup

"But," Goldmann continued, "if Swedish territory becomes increasingly important to the superpowers while at the same time defense resources decline, there is an increased danger that the neutrality policy will work poorly when it is really vital."

Was it his conclusion that reductions in Swedish defense had helped to undermine the credibility of Sweden's neutrality policy?

"Yes, I think one has to say that."

Could one draw the opposite conclusion from that, in other words that an increased Swedish buildup would solve this problem?

"That is very hard to answer; how big a defense system do we need?

"But for purely economic reasons a substantial increase in military spending must be regarded as unrealistic. One must just remember that we are in a situation where the need must be said to have increased."

There are few people who would doubt Kjell Goldmann's emphasis on the cuts in defense, but his suggestion that it might be necessary to change the neutrality policy for this reason is more controversial.

Alternatives

Goldmann said that such a change could go in two directions:

"Either Sweden can choose to accept and adapt itself to the security interests the Soviet Union seems to have in the Nordic region or else we can increase our security cooperation with West Europe. In the first case--a rapprochement with the East--it would mean giving up the objective of preventing Soviet violations of Swedish territory. In the second case--a

rapprochement with the West--one might conceive of an agreement with NATO that resembles Finland's friendship and assistance pact with the Soviet Union. In other words an agreement that does not commit Sweden to fighting on NATO's side in a war but that simply insures consultations on assistance from NATO as soon as Sweden is attacked."

Kjell Goldmann stressed that such an arrangement would certainly have its problems but that it is something that should be discussed anyway in light of the deterioration in our security situation. And Goldmann is not blind to the fact that even small changes in Sweden's security policy could have decisive consequences for Finland's dependence on the Soviet Union.

Small Tendencies

But it is Goldmann's paradoxical point that already today we are seeing small tendencies that indicate Sweden is moving in both the directions he outlined as alternatives. Thus he feels that Sweden has more or less accepted the Soviet Union's dominant position in the Baltic Sea while at the same time it has moved closer to the United States and NATO when it comes to military technological development. In the long run this will give the United States greater opportunities to control Swedish defense and this point is already being used in the Soviet propaganda against Sweden.

Goldmann stressed that so far these are only small nuances but they could become increasingly important if the security situation in the Nordic region deteriorates further.

Submarines and Swedish Idealism

The submarine violations are an important part of this whole complicated power play. Goldmann calls these violations "exceptionally provocative" and he believes they have had a direct influence on the lower profile the Swedish government has adopted on the question of a Nordic nuclear-free zone.

In Goldmann's view this can be one way of "punishing" the Soviet Union in the sense that the violations of Swedish territory make it harder for Sweden to implement a policy of neutrality and detente in an international system dominated by the fact that all or almost all nations are pursuing a policy of military deterrence.

In this world picture, in Goldmann's view, Sweden has stood so far for a concept that has roots in the philosopher Kant--the idea that in the long run peace can be based on rules of law, international cooperation and organization.

"This vision of a peaceful world is unusual in the way that we have tried to live up to it in practice." But in Goldmann's opinion the results are not encouraging--and for that reason he thinks a critical discussion of Sweden's neutrality policy would be extremely important.

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MILITARY

DENMARK

AIR FORCE OFFICIAL DENIES POOR TRAINING CAUSE OF F-16 CRASHES

Copenhagen BERLINGSKE TIDENDE in Danish 23 Apr 85 p 7

[Article by Nils Eric Boesgaard: "F-16 Pilots Forbidden to Execute Dangerous Maneuvers"]

[Text] The chief of the Air Tactical Command denied rumors that the inadequate training of Danish F-16 pilots was the cause of two collisions.

"The Danish F-16 pilots are on a level with their colleagues in the other NATO countries," said the chief of the Air Tactical Command, Major General C. S. Borgesen, against the background of rumors that inadequate training was the cause of the loss of two air force F-16 planes on two occasions, both times as the result of collisions.

The rumors could have arisen because the head of Skrydstrup Air Station has forbidden his pilots to execute a number of specific maneuvers in connection with combat training. While executing these maneuvers the airplanes often come very close to each other.

"We summoned all the F-16 pilots to a kind of seminar where we discussed all the problems," the head of Skrydstrup Air Station, Lieutenant Colonel O. W. Jensen, told BERLINGSKE TIDENDE.

"There was quite a long list but we agreed on a number of things that we particularly had to look out for. For example this included various forms of attack. With the slow planes used in World War II it was good form to attack a target from the front. When the first jet planes came in this proved to be absolutely suicidal and pilots then began attacking from the side and then from the rear. Now with the advanced long-range weapons systems it has again become customary to attack from the side with the idea that the pilot has plenty of time to veer away. But the question is whether that is really the case, for we are talking about seconds and fractions of seconds," Lieutenant Colonel Jensen added.

General Borgesen said of the training side of the matter:

"For reasons of economy we have flown less than we would like to for a number of years. I do not think we have flown so little that it has affected

flight safety. Other countries also have problems making ends meet and several NATO countries have flown less than we have. I do not think flying time could have had anything to do with the crashes. But I anticipate that we will fly what we call the 'annual program' in 1985.

"Our goal in peacetime is to train pilots to use the weapons systems we have. But in peacetime we have a margin of safety. We do not go to the very limit of a plane's capabilities, but the question is to what extent we have started to edge toward it. That can be where the problem lies and we are looking into it at the moment and reviewing all our regulations. We are gradually increasing our skill and it is my conviction that our pilots are well-trained--on a level with the West Germans and the Americans, for example. They have simply never been as well-trained as they are today," he concluded.

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MILITARY

FINLAND

LAND FORCES REMAIN WITH MANY PROBLEMS DESPITE NEW ARMS

Helsinki UUSI SUOMI in Finnish 9 Apr 85 p 3

[Article by General Staff Colonel Jukka Suviniemi: "Army Always Left Short in Distribution of Money"]

[Text] The "surprise announcement" made last week about the Army's new combat equipment pleased the national defense people. The exhibit of armored transport equipment from the Soviet Union, Tampella's long-range cannon, and American anti-tank missiles was a demonstration of the modernization of the primary branch of defense representing the basis of our defense capability. In the media it also generated the headlines "The Decade of the Army" and "The Most Significant Postwar Reform".

The advancement of the "development rotation" as a consequence of the development funding program for the defense forces does not, however, eliminate concern regarding the credibility and effectiveness of our defense capability. This is not just the result of the 500 million-markka shortfall, which came out in the press conference regarding the funding program of the III PPK [Third Parliamentary Defense Committee].

The recommendation of the third committee for the years 1982-1987 was based on a modernization of protective forces limited to a concentration of only 250,000 as far as the Army is concerned. The economic fact is that development funding of the defense forces has been determined at 1.5 GNP-percent of total expenditures since the 1960s. The rotational development of the branches of service is thus in fact only theoretical. Since the development of the naval and air forces is based -- as is economically rational -- on the replacement of obsolete combat equipment with new procurements according to an average replacement schedule of 15--20 years, the Army's share in this rotation is what is left when an attempt is made to obtain development funding from total expenditures within a framework of 1.5 GNP-percent.

The recommendation of the Third Parliamentary Defense Committee to hold to the modernization of a force of only 250,000 for the Army within a framework of a reserve force rising to approximately 700,000 is just this consequence of a recognition of this national economic fact. As the expenditure level for defense materiel continually rises and the service life of technically more diverse equipment becomes shorter, this in the worst case will result in the

fact that in the 1990s we will have to be satisfied with only an equipment level commensurate with a peacetime mobilization strength as far as the modernization of the Army is concerned. Or we will end up with a modern "miniature defense force" with respect to the Army. In practice one can only talk about rotational development in the defense forces if the total need adopted as the basis of the funding program for the Army is determined correspondingly as is already the case regarding the protective branches of defense, the needs of two combat units and their support organizations in the Navy, the need calculated on the basis of three anti-aircraft squadrons in the Air Force.

Whether the composition of a future defense committee is resolved on the basis of previous parliamentary committees or a new kind of planning committee, it will be faced with a definition of planning and development criteria for the defense forces. Previous "historical" empirical practice no longer offers a functional model, not even examined on the basis of parliamentary recommendations, not to mention the reduction of its task into a follow-up of the Third Parliamentary Defense Committee's PT-recommendation concerning the 1990s. The development of our defense capability is now irrevocably faced with a new and previously untried phase, in which the reform of the development basis of the Army is not the only question. Perhaps it can also be seen as a question of the modernization of defense policy decision making and the system of responsibility to correspond with the demands of a computer society.

10576

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MILITARY

NETHERLANDS

MILITARY MORALE IMPAIRED BY LOWER WAGES THAN CIVILIANS

Rotterdam NRC HANDELSBLAD in Dutch 30 Mar 85 p 3

[Report on interview with Arie Ros, captain of the Royal Military Constabulary, by Pieter Maessen: "Substandard Pay Demoralizes Naval and Land Forces"]

[Text] The Hague, 30 March--"I always like to pose a fundamental thesis before I go into it in a pragmatical manner."

That is, according to the speaker himself, the approach of the captain of the Royal Military Constabulary A. (Arie) Ros (56) who up until now, with some interruptions, is in his fifth year as chairman of the Consultation Center of military interest organizations.

For 17 years already, Ros has also been the chairman of the Royal Constabulary Association. In October he will leave that post at a congress organized in his honor. However, for the next 2 years he will certainly continue to be the most important opponent of the secretary of state for personnel affairs in the Department of Defense.

The life of the promoter of military interests is currently ruled by the so-called package comparison, a study which showed that the military are underpaid by about 17 percent in comparison with civil servants. Compensation for overtime is not the main reason for that. Perhaps that was possible previously, but since everyone is convinced that a military man's wages should not be different from that of a civil servant, such a difference is no longer acceptable.

Arrearage

Secretary of State Hoekzema (VVD [People's Party for Freedom and Democracy]), who is in charge of personnel matters in Defense, has accepted the conclusions on the structural arrearage of the military. But what will happen now? Eliminating the difference would cost $\frac{1}{2}$ billion guilders, and the money isn't there. Dissatisfaction seems to increase daily among military personnel.

Ros: "The government ought to promise now that it will eliminate the differences in pay. The conclusions in the report have a demoralizing effect

especially on naval and army personnel. Therefore I said to Minister De Ruiter at a reception recently: You have acknowledged the arrearage; now I expect something."

"Our people are restless, but the military also must make their demands acceptable. Eliminating the differences from the package comparison will be a matter of years. It should be settled during the course of the next cabinet period. During this period of unemployment it is not reasonable to demand 500 million guilders for 1986. However, in its next budget the government ought to state clearly what its intentions are. In a number of cases the arrearage can be eliminated only through compensation of overtime, but the policy must be directed toward employing more people. That would yield several thousand jobs.

"I have proposed that the government make a gesture for 1985 by paying a one-time sum of 750 guilders per soldier, as has been done in the past years in the maritime piloting service and in the police. That gesture would cost 100 million guilders."

Actions are not expected as yet, but "the interest associations have their backs against the wall. I am making an urgent appeal to the government," says Ros. "The one-time payment is both a symbol and a recognition of the arrearage which turned up in the package comparison."

Ros has heard that deliberation on the package comparison at the cabinet level is proceeding very tediously. Besides the ministers of defense and finance, Minister Rietkerk [Home Affairs] is also involved in it, as the coordinating minister for the government personnel policy. "I suspect that they were shocked by the package comparison and the large financial consequences; however, the members of Defense ought to support it."

Ros expects Secretary of State Hoekzema to make announcements shortly on the one-time payment asked for. The secretary of state has already promised that, as a result of the package comparison, a policy plan will be initiated in 1986. Technical deliberation on that has already started. According to Ros there is a possibility that the military will have to start paying their own illness insurance.

He does not expect too much from the Second Chamber.

"There they will do something only if it is politically and socially feasible. No one there has promised anything."

According to Ros, for him it is not as much a matter of money as of the position of the soldier in society. "I agree with the conscripts who say: give us, when we do the same work, the same pay as a career soldier. That position is entirely sound."

Radical

Ros has favorably revised his negative opinion of Hoekzema, who was entirely unexpectedly removed from the mayor's seat in Coevorden by the VVD and placed in The Hague. "At first I complained in the Chamber that it was impossible to work with him. He was too self-assured, but I consider that as starting problems. In the meantime he has drawn up a difficult report on the position of the soldier in society. The sickness costs measure, which hung over our head due to the government accord, was deferred by him. That was not a small task. But I don't admire the fact that he did not commit himself to carrying out the results of the package comparison. The success or failure of his secretaryship depends on what he will do now."

The chairman of the Consultation Center since recently has been confronted in the ranks of the interest organizations by the rather radical sound of Chairman Van Donk of the VBZ (Association for the Promoting of Interests of Sailors in the Navy) which, with 17,000 members, is by far the largest of the military interest organizations. Van Donk demands a say in materiel decisions for the VBZ. He does so in the interest of housing and living conditions of the military, but also with an appeal to the specific skills of the "sailor at sea."

Dangerous

Ros: "What Van Donk is doing is supercategorial. Beside the direct interest promotion of personnel, he wants to involve himself with everything in the navy. Then it is no longer a matter of where authority is delegated, but of joint authority in the execution of the tasks of the armed forces. That involves political aspects. An interest association which carries political responsibility--that is rather dangerous."

"The position of a military interest association is always limited by the armed forces phenomenon. Van Donk is demanding something to which politics cannot say yes. Thus the Chamber ought to state its position on that very clearly. If the Chamber says that is all right, we're entering a fine period."

"If Van Donk wants joint authority over aspects of materiel, he should also accept the consequences for the budget for personnel affairs, for that's where one will want to get the money for his desires. In this manner joint authority threatens to become a sham. I cherish it too much to detract from it.

8700
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MILITARY

NORWAY

SJAASTAD: WORLD WAR COULD BE DECIDED BY ACTIONS IN NORWAY

Helsinki SUOMEN KUVALEHTI in Finnish 4 Apr 85 pp 24-27

[Article by Max Jakobson: "Major War Will Be Decided in Norway"]

[Text] One of the premises of Finland's security policy is to remain outside of the conflicts of the super powers. The Norwegians, on the other hand, proceed from the idea that a major war will be decided in Norway. Max Jakobson, who recently visited Norway, analyses the security policy thinking of the Norwegians and their attitude toward a Nordic nuclear-free zone, among other things, in the following article.

Every nation has its own security policy liturgy, and the Norwegians also have a security policy shrine. It is an old massive stone structure within the walls of the Akershus Fortress in Oslo. On the door is a sign with the inscription "Hjemmefront Museum".

The name momentarily confuses a Finnish visitor: home front museum? But soon it becomes evident as to what is in question. For the Norwegians the home front was the front line in World War II. The home front experienced German occupation and waged a struggle against it. Hjemmefront is the same as the resistance movement.

At the beginning of the museum tour one sees a leaf torn off an ordinary calendar: 9 April 1940 -- a seemingly modest reminder of the commencement of the German attack. And at the end there are pictures of the joy of liberation and of the king's return from exile with the caption: Never again!

This continues to be the motto of Norway's security policy: Norway must never again be left alone at the mercy of unscrupulous super powers.

The Norwegians' trauma of being alone brings to mind the mood of the Finns after the Winter War. But the conclusions drawn from the experiences of war have led Finland and Norway on different paths. Their geopolitical positions have been decisive for both.

Finland's security policy is based on the concept that we have an opportunity to remain outside the conflicts of the super powers. The Norwegians do not imagine that they can remain aside.

Defense Minister Anders Sjaastad comes straight to the point in explaining the matter: "The illusion that Norway is a remote area of great natural beauty with no significance from the point of view of world politics was destroyed one morning 45 years ago. Today our country belongs to one of the world's most sensitive areas. In a wartime situation Norwegian territory may be the key to controlling sea areas vital to our geographical vicinity. Our country may thus determine the result of a war waged in Europe.

Norwegian self-assertion? Probably no more than what should be allowed for a small country.

The importance of Nordic sea areas has received increasing emphasis in the strategy of the super powers. Of the Soviet Union's strategic submarine fleet, two-thirds are located in bases on the Kuola [Kol'skiy] Peninsula. The Soviet Union's ability to answer a possible first strike from the United States depends on its invulnerability.

Missiles fired from Soviet submarines can presently reach the United States from the Barents Sea, from the Soviet Union's own territorial waters. Correspondingly, an attempt is being made to extend American surveillance and intelligence activities ever closer to Soviet territory. A soundless electronic battle is being constantly waged between the super powers in Arctic waters.

Defense Minister Sjaastad is able to enumerate a long row of figures which indicate that the Soviet Union has significantly increased the strength of its naval forces as well as other branches of service in its territory bordering the Nordic area.

Thus Sjaastad considers that there is no balance of military forces in the Nordic area in the classical sense of this concept. A balance is created only by the fact that the Nordic countries belonging to the Atlantic Alliance can depend on a counterforce available from outside of the Nordic area.

"If Norway were alone as a super power antagonist, we would soon find our situation to be unpleasant," says the defense minister. "I am not one of those who believe that a nonaligned Norway would be occupied tomorrow or the day after tomorrow... but we would soon be able to observe that our freedom of political action would be limited. This would not necessarily be a result of the fact that we would be presented with specific demands or desires. Our own understandings of the expectations of the super powers would be just as effective. Adapting to them would not be suitable to Norway's national soul."

But as a member of a powerful alliance Norway can stand with its back straight in the face of the Soviet Union: a recent example of this is the settlement of the missile incident that occurred at the end of last year, confirms Sjaastad.

Membership in NATO contains a guarantee that Norway can no longer become the subject of a separate attack: an attack on Norway would be a declaration of war on the whole alliance. But the result of experiences from 45 years ago is that this is still not enough for the Norwegians.

The contrast between Finland's and Norway's security policies becomes graphically apparent in this point. Finland is striving to operate in such a way that it will not need to ask for assistance from its super power neighbor. Norway, on the other hand, wants to be assured of the fact that assistance from its allies will, indeed, arrive in time in the event of an emergency.

Protection of the lines of communication by sea is absolutely necessary for obtaining this assistance. "The Norwegians are turning their back on Europe and are keeping a lookout on the Atlantic," says Johan Holst, the leading security policy expert of the Norwegian Workers' Party. Norway cannot lean on the countries of the European continent. "Only a naval power which is capable of controlling the sea lanes can reflect sufficient force as a counterweight to Soviet power in the Nordic area."

During World War II and for some time after it such a naval power was Great Britain. Today it is the United States.

It is understandable that Norway is one of the most faithful allies of the United States within NATO. A glance at the map according to an old instruction of Paasikivi is sufficient to explain this.

However, it is paradoxical that the smoothness of Norwegian and U.S. relations is basically the result of those exemptions which the Norwegians have taken for themselves within NATO. Since there are no American troops or nuclear weapons in the country, it has avoided many political problems, which burden relations between the United States and NATO-member countries on the European continent.

The restrictions which Norway applies in its defense policy comprise complex behavioral standards which are intended to pacify the Soviet Union and thus limit the risk of Norway's involvement in a war without endangering the chances of receiving aid from its allies in the event of such a necessity.

Allied troops are not permitted to be deployed in Norway's military bases, but at the same time Norway maintains a readiness to accept assistance troops in a crisis situation. The joint military exercises of NATO troops and the storage of heavy equipment needed by American-British-Canadian assistance forces on Norwegian soil serve this purpose.

However, the exercises are conducted at least 200 kilometers from the Soviet border, and warehouses are located 800 kilometers away from the Soviet border in Trondelag. The naval and air forces of the allied nations are not permitted to conduct maneuvers in the vicinity of the Soviet border.

The prohibition concerning nuclear weapons is unconditional inasmuch as no preparations are made for the acceptance or use of nuclear weapons. The defense forces are not being trained to use nuclear weapons and the premise adopted in defense planning is that the country will be defended completely by conventional weapons.

All in all, the purpose of the independent restrictions adopted by Norway is to convince Soviet leadership that Norway will not allow its soil to be used for aggressive actions against the Soviet Union, but all military measures are solely intended for Norway's defense.

The degree to which it has succeeded in convincing the Soviet Union is another question.

Norwegian military actions have been sharply criticized from time to time on the part of the Soviet Union. In the first half of the 1970s particular attention was given to the participation of German units in NATO war exercises conducted on Norwegian soil; as is known, President Kekkonen also expressed concern about this. However, this question has been dropped from the agenda as the foreign policy role and Eastern relations of the Federal Republic of Germany have changed. Also Soviet criticism directed at the advance storage of equipment belonging to NATO's assistance troops has gradually subsided.

Recently, various surveillance and warning services performed for NATO in Norway's northern areas as well as making certain Norwegian air bases available for the use of NATO's air forces, which according to Soviet comments means a closer Norwegian connection with NATO's military preparations aimed at Soviet territory, have been the primary subject of Soviet criticism.

In addition, Soviet and Norwegian relations are burdened by differences regarding the border in the continental shelf of the Barents Sea and the status of the Spitzbergen [Svalbard] Islands. Negotiations on these questions continue to remain at a standstill.

Generally speaking, Norway, as the Nordic area in general, has, however, received relatively little attention in the Soviet media or in its diplomatic activities. Tension between the super powers has remained at a low level in the Nordic area. The Soviet Union's general policy line now seems to be a pacification of relations with all its neighboring countries.

The improvement in the international atmosphere seems to have had a peaceful effect on Norway's foreign policy debate also. The security policy consensus approved a year ago by the parties will hardly be subjected to too great of a test in the parliamentary elections to be held next fall. The politicians know that it is supported by strong public opinion. Opinion polls indicate that support for NATO membership continues to be strong among the people.

The security policy consensus also applies to the attitude toward a Nordic nuclear-free zone. According to it, actions for the creation of a nuclear-free zone in the Nordic area will take place within the framework of Norway's relationship with its Western alliance and in connection with the broader arms control arrangements being accomplished in Europe.

In Oslo I asked Mrs. Gro Harlem Brundtland, the leader of the Workers' Party, whether Norway's security policy would change if her party wins in next fall's elections. She answered:

"Norway's security policy will not change. But a government of the Workers' Party would work more actively on behalf of disarmament negotiations in NATO circles than the present right-wing government. It would also work on behalf of a nuclear-free zone."

But still as a part of broader arrangements being accomplished in Europe?

Yes, answered Mrs. Brundtland.

And this means that a Nordic nuclear-free zone cannot be accomplished in practice?

The answer was again positive.

The Norwegian debate on a Nordic nuclear-free zone demonstrates how fundamentally the Nordic situation has changed since 1963 when President Kekkonen made his zone initiative. At that time there was reason to fear that nuclear weapons were coming to the Nordic area. Influential circles in Sweden demanded the procurement of nuclear weaponry for the country's defense forces. The deployment of bomber aircraft capable of transporting nuclear weapons in Norwegian and Danish military bases could also be considered reasonable with the prevailing level of weapons technology at the time.

In the situation at the time President Kekkonen proposed that the Nordic area be declared a nuclear-free zone so that "in this way the Nordic countries would be indisputably removed from those spheres of speculation which the development of a nuclear weapons strategy has created". He did not say anything about the cooperation or guarantees of countries with nuclear weapons.

One of the most important intents of Kekkonen's initiative was to make Finland's own position public as forcefully as possible: "Our policy of neutrality requires that we refuse to accept nuclear weapons for the benefit of other countries." He also emphasized the connection of Finland's security with the Nordic situation in general.

Kekkonen's actual objective, keeping the Nordic area free of nuclear weapons, has practically speaking been accomplished as the result of two decades of development -- without a zone agreement.

Sweden has abandoned its nuclear weapons options. The development of weapons technology, on the other hand, has resulted in the fact that the deployment of nuclear weapons on Norwegian or Danish territory is no longer expedient from a military point of view. Missiles with nuclear warheads launched from the sea or the air can be used to defend these countries from outside of their territories.

Then why is there continued opposition to a proposal for strengthening the prevailing situation by means of obligations stipulated in a zone agreement?

The reason is the broader political significance of the zone proposal. The debate conducted on it no longer concerns Nordic area security as much as it

does NATO's nuclear weapons policy in general. Thus it is directly connected to the most important security policy differences of the super powers.

The supporters of a zone are striving to influence NATO to gradually abandon its ability to resort to the first use of nuclear weapons as a counterweight to the superiority of the Warsaw Pact's conventional military forces. Those, on the other hand, who reject the conclusion of a zone agreement as a separate Nordic solution fear that it can fatefully weaken Norway's credibility as an ally of the United States.

When, on the one hand, the "negative" guarantee offered by a zone agreement or the Soviet Union's promise not to use nuclear weapons against the zone and, on the other hand, the "positive" guarantee offered by NATO membership or the U.S. promise to come to Norway's aid if necessary are juxtaposed, the Norwegians choose the latter.

Thus the debate on a nuclear-free zone has, indeed, led us into the sphere of speculations regarding the nuclear weapons strategies of the super powers.

Finland considers the zone plan to be an intrinsic value which should isolate the Nordic area from the effects of super power conflicts. But in the eyes of others it has only an instrumental value in those very super power conflicts from which we want to remain aloof.

The consequence is that unsuspecting speeches of certain Finnish politicians have aroused distrust in Norway toward Finland's intentions and motives. I was left with the impression from my discussions in Oslo that we have not completely succeeded in convincing Norway's leading circles of the fact that in promoting the zone issue we are only promoting Finland's national interests.

It is in the interests of Finland to work on behalf of keeping the Nordic area free of nuclear weapons even if a zone agreement is not accomplished. It is also in the interests of Finland to work on behalf of keeping trust between the Nordic countries unbroken. There can be no conflict between these interests.

In certain recent speeches Foreign Minister Paavo Vayrynen has proposed the idea that special measures strengthening trust between the Nordic countries can be developed, measures which could go further than those which are currently being discussed at the Stockholm Conference. But before any new agreements between states are considered, we should in my view strive to strengthen mutual trust and understanding in the management of practical relations. Foreign Minister Vayrynen's visit to Norway beginning on 18 April is in this sense a good opening.

10576
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MILITARY

PORUGAL

'ALBATROZ-85' MANEUVERS SCHEDULED

Lisbon 0 DIA in Portuguese 26 Mar 85 p 10

[Text] Albatroz-85, Air Force/Navy maneuvers, will take place in Sines and Santiago do Cacem from March 29 till April 4.

At a press conference held yesterday at the Monsanto Air Force Operations Command, Air Force Brig Gen Vasquez summarized for the press what the Albatroz-85 maneuvers would involve and stated objectives: "testing and evaluating" the efficiency and readiness of the forces taking part, "implementing operational procedures and communications systems" and "providing cross-familiarity with weapons systems and equipment and facilities applications with special emphasis on electronic warfare."

Lt Col Vitor Silva, also of the Air Force, explained that air and naval craft would stage a simulated confrontation based on the scenario of "deteriorating relations between orange-bloc countries and blue-bloc countries," and that orange forces would invade the Sines area head by blue forces. Blue military units will attempt to neutralize the orange forces. Some 2,500 men and the following air and naval craft will take part in the operations: C-212 and Fiat G-91 aircraft, two parachute platoons, a corvette, a submarine and a rifle platoon. The blues will attack with A-7P, C-212 and C-130 aircraft, Puma helicopters, a parachute batallion, three frigates, a corvette, a support vessel, two landing craft, a minesweeper, a team of divers, a special-purposes rifle detachment and a back-up landing battalion. Amphibious supply and cargo vessels will be used in these maneuvers for the first time in Portugal, according to Rifle Corps Lt Abreu. These vessels are highly maneuverable on land and at sea. They were provided to Portugal by West Germany.

It is obvious that the blue forces have greater military strength than the orange. But this does not mean that Brig Gen Vasquez, commander of the blue assault on the orange forces, will not reprimand the attacking force if they make mistakes.

On the 29th, the special-purposes rifle detachment will launch an amphibious attack on Pessegueiro Island. The following day, the Navy will launch its attack. Maneuvers in response to air, surface, underwater and electronic warfare threats are scheduled for April 1. On April 2, blue forces will

assault Sao Torpes beach by sea, reinforced by parachute troops. On April 3, the amphibious forces will board ship for Alfeite Naval Base. April 4 will be the last day for Albatroz-85 maneuvers.

According to Commander Silva of the Navy, "Portugal has an important role in a conventional war, and although a remedy backed up by sophisticated capabilities exists (a reference to nuclear war and star-wars technology), a patient in a conventional hospital will not be left untreated."

8844
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MILITARY

PORUGAL

LEMOS FERREIRA ON DEFENSE, MILITARY CANDIDACY

Lisbon DIARIO DE LISBOA in Portuguese 26 Mar 85 p 4

[Text] The interview granted RDP-Antenna One by Chief of Staff and Armed Forces Maj Gen Lemos Ferreira was clear, straightforward and unambiguous: not a single question was dodged. His answers were plausible, to the point, and phrased in frank language, even when the subjects were sensitive.

On obligatory military service: it is necessary "as a public service;" the length of military service depends on problems in the economy or the level of instruction provided. Conscientious objectors: "It is not possible to belong to society without providing it some service."

The difficulties arising from the Defense Act are still not completely implemented due to the lack of follow-up legislation, which was also discussed. One is the gradual process of reforming and adapting the Armed Forces to current national realities: "The raison d'etre of defense is questioned again and again because of unawareness of values which must be safeguarded and defended as such."

This reply hits demagogues (some of whom, we might add, hold seats in Parliament) who endlessly attack the raison d'etre of the Armed Forces in Portugal. Attempts to sow controversy originating from certain well-known (perhaps too well-known) political circles over the acquisition of a certain type of military aircraft were also addressed: the latest decision was made by politicians taking the national interest into consideration.

As a voter, Lemos Ferreira did not hesitate to reply to political questions which the interviewers broached. Why shouldn't military candidates aspire to the presidency of the Republic? "Military men should not be privileged or deprived of rights," and it is therefore not proper that military candidates "be excluded." In fact, democratic countries have had military presidents--De Gaulle in France and Eisenhower in the United States--and their governments were not militarized.

Militarization in Portugal? This is a recurring bugaboo. "Are we militarized?" Lemos Ferreira asked. "Is the military running banking, the financial sectors, the ministries, civil government and autonomous agencies? Clearly, it is not. So what should be demilitarized? What should be made civilian? I think they have made this a cliche."

For Lemos Ferreira, a candidate's platform is what matters. "People do not become candidates for personal reasons. They have other goals, other objectives." From his point of view, one should look at what they want to change; when people say they are trying to bring about change, one must ask whether they are sincere, whether they possess the means to effect change and whether they are in a position to bring about change. Or would they have difficulty effecting change because they are not committed, shall we say, to the system as a whole?" And let me say this: "Sometimes those who agitate the loudest for change are those who least want change."

Quite straightforward. The general who doesn't confuse "hardness with firmness" was also clear in his definition of democracy: "a system in which everyone participates."

8844

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MILITARY

PORUGAL

BRIEFS

NCO'S IN 25 APRIL ASSOCIATION--For the first time, non-commissioned officers of the Armed Forces are serving on the board of directors of the 25th of April Association, which was installed in office today in Ft Bom Sucesso in Pedroucos. They are M/Sgt Lobato Possante, a voting member of the board, and S/Sgt Fonseca Casimiro, Secretary of the General Assembly. A source within the Association explained to the NP News Agency that an amendment to the bylaws, which is now in effect, allows NCO's to be elected to the governing bodies. Lt Col Vasco Lourenco, chairman, and Col Costa Neves, vice-chairman, remain on the Association's board of directors. Brig Gen Pezarat Correia, president, and Rear Adm Vitor Crespo, vice-president, were re-elected to the General Assembly. Gen Rangel de Lima continues as chairman of the Financial Council. [Text] [Lisbon DIARIO DE LISBOA in Portuguese 30 Mar 85 p 6] 8844

CSO: 3542/153

MILITARY

SWEDEN

DEFENSE COMMITTEE AGREED ON CENTRAL SECURITY POLICY POINTS

Stockholm DAGENS NYHETER in Swedish 18 Apr 85 p 8

[Article by Sven Svensson]

[Text] The risk of an isolated attack on Sweden has not increased as a result of the buildup by both military blocs around the North Cape and in the Baltic Sea area. That conclusion was reached by the current Defense Committee which will soon be finished with its security policy report.

According to plans the report will be approved at a meeting on 2 May. Some central sections are already finished. But there is some discussion about the arrangement of various parts of the report.

Agreement can be expected on the main lines of the report. It is true that while the study was under way the most prominent Conservative representative, Carl Bildt, made several alternative proposals with regard to the wording of the report. But he did not press the point when they ran into opposition from other members of the committee.

Old Arguments

One controversial question involved describing the submarine violations in the Baltic Sea. The Defense Committee will not come up with any revolutionary conclusions. By and large the committee is sticking to the arguments used by the Submarine Commission, namely that the demonstrated violations of Swedish territory are a part of the Soviet Union's operational planning.

On this point Carl Bildt wanted all the conclusions of the Submarine Commission included in the security policy report. The other members, including Gunnar Bjork of the Center Party, opposed that. The rejection of Carl Bildt's proposal was due more to space considerations than to differing opinions on the matter.

Since the Submarine Commission issued its report on the Harsfjarden violations in 1982 the defense authorities have acquired some additional knowledge concerning the use of minisubmarines, among other things. It was not

felt that this knowledge was so important or noteworthy that the Defense Committee could draw any conclusions of its own about what lies behind the increasing submarine activity in the Baltic Sea.

Nordic Region Dominant

Previous security policy reports have dealt to a large extent with the conflict situation between the standing forces of the two military alliances in central Europe and the contrasts between industrialized and developing countries.

This year's report differs from its predecessors. The immediate Nordic region dominates the description of security policy.

There has long been a military buildup around the Kola peninsula on the part of both NATO and the Warsaw Pact, which means that the Nordic area has been increasingly drawn into the sphere of interest of the major powers. But the committee still feels that Sweden does not run any risk of being the target of an isolated attack.

It is as part of a major European war that Sweden would come in an exposed situation and military developments could contribute to making the Nordic area more strategically interesting than it used to be.

Navy Most Secret

It is particularly the naval units that are developing rapidly in the North Atlantic area, but it is hard to say how much. The condition of naval forces is one of the most secret matters in existence and Swedish authorities are uncertain about the strategic plans of the superpowers.

Both nuclear submarines and other naval units have increased sharply in the Barents Sea. They are equipped with cruise missiles that can pass over the Nordic region. These cruise missiles are inconceivable in the initial phase of a war because of their slow flight. The Soviet Union has also increased its share of the population on Svalbard while the lack of a boundary in the Barents Sea between Norway and the Soviet Union is a generally disturbing element.

More Exercises

Exercises have also increased in the Baltic Sea. This is true of both military blocs, although the Soviet submarine incursions are the most disturbing element in Swedish security policy.

In a discussion of the immediate Nordic area, relations with the Soviet Union must also be mentioned.

The Foreign Ministry line is that there should not be a wealth of detail in this account. If it is kept on a basic level, the idea is that it will be quite easy to agree on formulations about the Soviet Union.

Some politicians, including Liberal Hans Lindblad, reportedly wanted more details in referring to the Soviet Union and to some extent to the situation in the other East European states as well. But in view of the current situation it is thought that the politicians will agree on a fairly limited description.

The Swedish line is that defense must be strong enough to maintain peace by deterring attacks.

The committee will not state precisely how strong Swedish defense would have to be to meet this requirement.

6578
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MILITARY

SWEDEN

RIKSDAG DEFENSE COMMITTEE CLAIMS SECURITY CONSENSUS INTACT

Stockholm DAGENS NYHETER in Swedish 12 Apr 85 p 8

[Article by Sven Svensson]

[Text] It is an important national asset that there is broad support for the principles behind Sweden's security policy. The Riksdag Defense Committee was in complete agreement on this in its report on total defense.

Disagreement was limited primarily to compensation for inflation in the current fiscal year and the right of OB [Supreme Commander of the Armed Forces] to authorize orders for defense materiel.

In the security policy section the committee bowed to a Center motion, which was hardly a coincidence after the dispute between the Social Democrats and the Conservatives.

No Doubt

The motion said among other things that no one either in Sweden or elsewhere should be in any doubt as to Sweden's resolve and determination to maintain our borders and our territory to the utmost of our ability.

The armed forces should keep the peace, serve as a stabilizing force and deter war, it said. Defense against invasion is of fundamental importance. The equipment, organization and training of the military defense system must be continuously adjusted to developments in the rest of the world. The armed forces must contribute in all respects to maintaining the credibility of our neutrality policy. We must be able to meet the threats we could be exposed to in peacetime, in wartime and during the rapid introduction of a surprise military operation with a strong defense system.

Important

The Defense Committee's agreement on Swedish security policy will probably also be important in the wording of the security policy recommendations that the current Defense Commission is writing, recommendations on which the 1987 Defense Act will be based.

The biggest disagreement concerned inflation compensation for the military defense system in the current fiscal year. The Social Democratic members of the Defense Committee felt that Riksdag's earlier decision to limit price compensation for 1984 to 4 percent should remain in effect despite the fact that prices have risen by 8 percent.

The three nonsocialist parties disagreed and asked that 270 million kronor be added to the 23 billion kronor defense budget.

Protest from OB

In a personal letter to the government OB protested against not being able to authorize orders according to common practice.

The Social Democrats and the Liberals agreed that the economic situation calls for caution when it comes to new defense orders. The Conservatives and the Center Party dissented, arguing that this makes it possible for the Social Democrats to lower the defense budget ceiling in the 1987 Defense Act.

In the area of submarine defense the three nonsocialist parties felt that the building of seven sub-hunting helicopters that was decided on should be accelerated.

According to the Social Democrats an acceleration would only marginally affect the training of new sub-hunting crews.

In the fall of 1985 OB will present a long-range plan to phase out peace-time units. The Conscription Committee's proposal for rotating basic training will be considered in this plan.

Missile Systems

The committee stressed that it is important that Swedish industry have a chance to develop advanced missiles and partial systems for missiles. Real freedom of action should be created in the selection of missile systems for the JAS [combined fighter-bomber-reconnaissance] plane.

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MILITARY

SWEDEN

THUNBORG'S ARTICLE AIMED AT QUIETING SECURITY DEBATE VIEWED

Stockholm DAGENS NYHETER in Swedish 15 Apr 85 p 2

[Editorial: "Thunborg and the Security Debate"]

[Text] Agreement on security policy would be a national asset for Sweden. But this requires somewhat greater efforts than the Social Democratic and Conservative party leaders seem prepared to make at this time.

In a political situation that is beginning to be overshadowed by the approaching election campaign neither the government party nor the biggest opposition party will relinquish the right to sharply criticize each other. That is the impression we are left with after last weekend's exchange of views.

But the Social Democrats do not have a uniform view of current Conservative security policy. This was clear when the defense minister stressed 2 weeks ago that one should look at the things that unite us--just a few days after the prime minister had once again struck a contentious note. In Sunday's debate article Anders Thunborg sharply criticized former Conservative policies but again expressed his basic attitude.

The defense minister emphasized what he feels are improvements in the Conservatives' foreign policy and spoke of the Conservatives' "sincere" desire for consensus when it comes to last year's agreement on defense appropriations. There are still a lot of wild statements from the Conservative youth and student leagues that hardly deserve to be taken seriously, but which the Conservatives should dissociate themselves from, he said.

One should bear in mind that it is this kind of "wild talk" that Palme cites as illustrating the Conservative questioning of the whole policy of neutrality. And while Thunborg feels that the Conservatives "now stand for an entirely different and considerably more traditional security policy than they did just a few years ago," Palme says that "it is no longer possible to talk about a basic agreement among the parliamentary parties when it comes to Swedish security policy"!

Thunborg is still hoping for agreement in the security policy recommendations for the 1987 Defense Act that will soon be released by the Defense Committee, of which the most disputatious Conservative on the subject of security policy, Carl Bildt, is a member.

Of interest in this context is the revelation a few days ago that in a report on total defense the Defense Committee had agreed on the wording of a section on security policy. There is a parliamentary determination to stick together on security policy that should give even Olof Palme reason to ponder.

This leaves Anders Thunborg's examination of the past behavior of the Conservatives in the article with an objective acuity that rivaled Palme's violent attack. Thunborg reminded his readers that the present Swedish foreign policy was created in spite of stiff resistance from the Conservatives. In view of Thunborg's examples of Conservative policy from the 1950's and 1960's it is easy to understand his indignation at the attempt by the Conservatives to use Osten Unden as a weapon against present-day Social Democrats. If there was anyone who was exposed to the acrimonious Conservative foreign policy attacks it was Unden.

During the entire postwar period it has been the Social Democrats who developed the neutrality policy, Thunborg pointed out. In terms reminiscent of Palme he talked about how it has been the not always pleasant lot of the Social Democrats to carry on a debate with the Conservatives. Like the head of the government he dismissed criticism in recent years as "so-called affairs"; a convenient way of avoiding a discussion of mistakes in his own camp. Thunborg also noted that he helped formulate Palme's celebrated questions to the Conservatives about a "double message" and "compliance."

In Sunday's radio broadcast Thunborg repeated time after time that he and Palme do not have different views, although anyone can see and hear the differences; all that is necessary is to read and listen.

Obviously the defense minister feels it is expedient to demonstrate as much solidarity with the prime minister as possible and we could scarcely expect anything else in his situation. One motive for Thunborg's debate article of course was a desire to present his own basic views and moderate the impression of a difference of opinion between himself and Palme. But another motive was certainly the defense minister's desire to put an end to the double Conservative message, which is moderate in Riksdag and more belligerent in actions outside Riksdag.

Under any circumstances the new questions Thunborg put to the Conservatives are justified. What do they mean in practice by a "stronger" defense policy and--above all--by their pet phrase, a "tight" foreign policy?

Carl Bildt did not give any real answer when he was interviewed on Thunborg's article on Sunday. He said he wanted a low-key and objective debate--but that one should not keep quiet when there was good reason to criticize the government's policy.

A more thoughtful answer to Anders Thunborg's questions remains to be given. The Conservatives should regard it as important to show that they, like Thunborg, really want to look at the things that unite us.

MILITARY

SWEDEN

PAPERS AROUND COUNTRY EXAMINE THUNBORG ARTICLE

Stockholm DAGENS NYHETER in Swedish 17 Apr 85 p 2

[Editorial Roundup: "Thunborg and Security Policy"]

[Text] Defense Minister Thunborg's debate article on security policy in DAGENS NYHETER on 14 April and subsequent interviews with him and Prime Minister Palme have prompted a number of commentaries. GOTEborg-POSTEN (Liberal) agreed with Thunborg that the Conservative Party leadership should repudiate the "wild statements" made by the Conservative Student League and the Conservative Youth League on security policy, saying that this should have been done long ago. But it is clear that the Conservatives support the cornerstones of the officially-established security policy, wrote the paper, which continued:

"If there are substantial differences of opinion on how this security policy is executed or how it should be conducted these should be stated clearly to prevent the various political factions from talking on different wave lengths, misunderstanding each other or blowing the differences out of proportion.

"Anders Thunborg stressed in an interview on the Sunday noon broadcast the importance of self-criticism with regard to the security policy actions of the parties. He seemed to feel that the self-criticism requirement should also apply to the Social Democrats."

VESTMANLANDS LANS TIDNING (Liberal), which is published in Vasteras, took the same line and said that Thunborg chose a much better angle of approach in the debate than Palme did when he primarily emphasized the things that unite the parties. But, the paper went on:

"It would certainly be more interesting to debate factual issues instead of personal differences and alleged hidden motives. But even so the present foolishness is a step forward. It is no longer being said that our peace and freedom are in danger and that the Riksdag parties have big and important differences of opinion in the area of foreign and security policy. On this point Thunborg's article has helped to clear the air."

The defense minister came to the conclusion that the Conservatives support a considerably more traditional security policy than they did just a few years ago. BORAS TIDNING (Conservative) wondered why, in that case, the prime minister seized this particular occasion to tear down bridges and announce a conflict. The paper then wrote:

"Defense Minister Thunborg has rendered the election campaign a great service. After the conclusion he reached in his article there is not the slightest reason for the Social Democrats to make foreign policy part of the election debate or to use it for crude partisan tactical reasons. Thunborg's article is formally aimed at the Conservatives. But in reality the prime minister is the one who has been hit."

NYA WERMLANDS-TIDNINGEN (Conservative) felt that Anders Thunborg, "a wise and thoughtful man," had won sympathy for the effort to bury differences of opinion on security policy between the parties:

"But this can only be done if foreign policy and defense policy are based on a consensus. If double messages are not a dominant element in foreign policy. If Olof Palme strives to pursue a Swedish foreign policy and not one that benefits him personally or that has been originated by the Socialist International or the Palme Commission.

"Anders Thunborg has driven the first nail in the structure that can once again be a stable residence for Swedish security policy."

The nonsocialist parties and especially the nonsocialist editorial writers are trying to drive a wedge between different Social Democrats and are engaged in creating a myth to the effect that Palme and Bodstrom stand for one policy and Thunborg stands for another, wrote NORRLANDSKA SOCIALDEMO-KRATEN in Lulea (Social Democratic):

"The idea is ingenious. The problem for the nonsocialists is that they do not dare claim that the Social Democratic Party as such stands for a different security policy view than the officially established one. For the nonsocialists are well aware, perhaps even painfully aware, that it was the labor movement and Social Democratic governments who were responsible for forging and preserving the active neutrality policy that the country supports--often in direct conflict with the Conservatives."

DALA-DEMOKRATEN (Social Democratic) in Falun criticized the attitude of the middle-spectrum parties in the security policy debate between the Social Democrats and the Conservatives:

"The Conservatives have been able to snipe at security policy without the middle parties daring to make a single strong objection. It is true that a Center member of Riksdag was bold enough to stigmatize the Conservatives but when they tried to get a vote of no confidence in the foreign minister on the basis of a dinner conversation, the middle parties quickly jumped on the bandwagon.

"And when the defense minister repeated the same questions that the prime minister asked earlier about where the Conservatives really stand on foreign policy, the nonsocialists tried to depict the Social Democrats as spoiling for a fight or to show that they are split by sifting through small differences in their choice of words."

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MILITARY

SWEDEN

FORCES TO TEST AWACS, OPERATIONAL UNIT SEEN BY 1990

Stockholm DAGENS NYHETER in Swedish 17 Apr 85 p 6

[Article by Peter Bratt]

[Text] A flying model of a Swedish radar reconnaissance plane will be tested sometime this year. But regular airborne radar flights will not become a reality before 1990. This will dramatically increase the effectiveness of the air force.

A surprise air attack that knocks out Swedish fighter planes on the ground is one of the threats most feared by the air force. After Sweden has mobilized and all resources are grouped in place, it would take such an extensive effort on the part of an enemy to march in that most observers do not regard this threat as very realistic.

But if the fighter planes have been knocked out before mobilization has been carried out the situation is completely changed. The air force has to function both for the sake of mobilization and for the sake of troop movements on the ground.

Little Warning

Radar is the eye of the air force. Air defense does not function without radar. Radar waves go in a straight line. Ground-based radar can only track a low flying target as far as the horizon, in other words to a distance of between 30 and 50 kilometers.

High targets are no problem though. Therefore a surprise attack would come from planes flying at a low altitude. That would provide the shortest possible warning time. A target detected by a radar station at a distance of 50 km can reach the station in a minute and a half if it flies 2000 km an hour.

Today there is a chain of radar towers, RPS 15, along the coast for the purpose of detecting low-flying targets. They are not intended to function for any length of time in a war; air bases anticipate that the towers would be knocked out quickly.

The air force has now purchased a very large number of 870 low-altitude radar stations which are under consignment. Installation of the stations will start within the next 2 years. The entire new system should be in operation by around 1990 and will consist of some permanent and some mobile stations.

Poor Surveillance to the West

Today Swedish radar surveillance is especially poor toward the west coast and beyond and even worse along the border with northern Norway and west of that.

The arrival of NATO's cruise missiles, which can be fired from the Norwegian Sea at targets deep inside the Soviet Union after passing over Sweden, means that Sweden must improve its radar surveillance to the west so that the eastern bloc can depend on our resolve to maintain our neutrality policy, in other words to defend our air space in a westward direction as well.

"NATO uses considerably more air bases in North Norway today than it did just a few years ago. When they only had access to F-4 planes they used just two bases. Now they have F-16's and the F-18 is on the way. We estimate that NATO can use eight air bases in North Norway. This means we must improve our surveillance to the west," Colonel Bert Stenfeldt of the air force staff told DAGENS NYHETER.

Poorer Radar

The F-4 is an older plane with a shorter range than the F-16, which is in the same generation as the Viggen and has similar performance characteristics, although its radar is somewhat poorer. The F-18 is a two-engine plane--with the same basic engine the JAS [combined fighter-bomber-reconnaissance plane] will have. It is a heavier and larger airplane that can carry considerably more weight in the form of fuel and weapons.

Airborne Swedish radar should improve our protection against a surprise air attack drastically. It could also detect incoming cruise missiles.

"Airborne radar can spot attacking airplanes at a distance of 300 kilometers, even if they are flying at a very low altitude. And it is just realistic to point out that in a war the 870 radar would certainly have a somewhat better chance of survival than the radar towers, but a great many would inevitably be destroyed," said Colonel Owe Wiktorin, planning chief on the air force staff.

Small Planes

"Airborne radar is very valuable for filling in the gaps. The radar will come from Ericsson in Sweden for installation in planes of the type Saab-Fairchild 340 or Metro III. These are relatively small twin-engine propeller planes in contrast to the airplanes the superpowers use for the same purpose.

"A definite decision must be made in connection with the 1987 Defense Act. But we are continuing our projections on the basis of plans that were approved

in 1982. The radar can be ready in 1988-89 and the planes can be in the air by the beginning of the 1990's.

"This year we will test an airplane with a realistic weight and a mock antenna to examine the aerodynamics," said Owe Wiktorin.

If the radar planes become a reality they will operate over Swedish air space. They will not be under the continuous protection of fighter planes since there are not adequate resources for that.

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ECONOMIC

BELGIUM

LEYSEN ON OPPORTUNITIES FOR TRADE WITH PRC

Brussels LA LIBRE BELGIQUE in French 2/3 Mar 85 p 13

[Article by Pierre Loppe and Phillippe Pacquet: "China, a Tough Challenge For Belgium"]

[Text] There will soon be 250 million extra workers for Chinese industry. We must prepare ourselves for this, states Andre Leysen, President of F E B [Federation of Belgian Businesses].

The Chinese take Belgium seriously. That's putting it mildly, when we observe the degree of respect shown to the Belgian "manager of managers," Andre Leysen, during his recent stay in the People's Republic of China.

The President of FEB was, indeed, granted a long interview with the Chinese Prime Minister Zhao Ziyang. The meeting took place, Leysen told us, not in the traditional, formal ambiance but in a "relaxed atmosphere," and it is "a compliment for Belgium that a head of state should take the trouble to receive us."

Furthermore, the President of FEB was not received in Beijing in accordance with usual procedure, in one of the salons of the People's Assembly in the Tian'an Men Square, but rather he was received in one of the wings of the "Lakes of the Center and of the South" (Zhongnanhai), a park in the heart of the Chinese capital which is known as the "new Forbidden City" because it houses the highest government authorities. Mao had set up his residence there, and, since then access has been restricted to the most distinguished foreign statesmen.

Less Than 10 Days

It was in his dual role as President of the FEB and also President of Agfa-Gevaert that Leysen went to China. It was a mission for "gathering information" for "fact finding" to use fashionable jargon. But he doesn't claim to be a specialist. "One can talk about China," he says jokingly, "only if one has stayed there less than 10 days or more than 10 years. I am in the first category."

"There are, nevertheless, things which made a deep impression on me, and I would be remiss if I failed to mention them. The progress of Chinese

agriculture, for example. For the first time, China is self-sufficient in food and this is fundamental when we recall that for two thousand years, this country lived on the brink of famine. Now, not only can the Chinese feed themselves from now on, but they certainly expect to export agricultural products. What a change since my last visit there, about 10 years ago."

But there is another thing, Andre Leysen continues, "I proposed the following calculation to Zhao Ziyang, Prime Minister. In the year 2000 there will be 1.2 billion Chinese, 80 percent of whom will be living in the country. Let us suppose that roughly half that number works, the remainder being children and old people. Half of these 500 million Chinese agricultural workers could be freed by an increase in productivity, judging by Europe's experience in economic development."

"That means," continued Leysen, "that in the coming 15 years, China will switch some 250 million workers to the industrial market and the services sector. Zhao Ziyang confirmed these figures and it is a revelation for me. To think that Europe, including Spain and Portugal, has 320 million inhabitants, half of whom work, this shows the scope of the phenomenon. All of a sudden, a far-eastern country increases its industrial potential by 250 million workers. It is extraordinary."

A New Challenge

And the "manager of managers" goes on to say: "It is a new challenge for us. The profound de-structurization of the world's economy is going to be accentuated by the entry of China upon the international scene. All those who think that the restructurization is almost finished, and that we are not going to suffer any more, are mistaken."

Is Belgium in a good position to take up the Chinese challenge? Leysen believes so, because the Chinese "recognize Belgium as the pioneer of relations between their country and Europe. They see in her a bridgehead into Europe. Belgium moreover, was the first country to grant Beijing credit on a state to state basis, and that is something the Chinese are not going to forget. Belgium enjoys a good reputation in China and she should put this to good use."

How? "Either by entering into joint ventures with Chinese firms, in which case one must have confidence in the future, since large-scale financial engagements might be involved" Leysen points out, "or, by helping to modernize existing Chinese plants, where production can often be increased without having to invest a single franc. We are studying possibilities of this nature, here at Agfa-Gevaert in our photography sector. It is an interesting possibility, as, without getting involved too deeply, we can ensure our presence in China and learn to know our Chinese partners better. This is a good preliminary step which will lead to more extensive forms of cooperation."

Transportation

Among the opportunities to be examined by Belgian firms, energy and transportation are listed as being among the most promising. Transportation especially, when one notices, as did Andre Leysen, that in Shanghai the streets are too narrow to allow for passage of the containers which are unloaded in the port, the biggest port in the People's Republic.

But, to seize the available opportunities should not Belgium be showing evidence of unity, instead of allowing Flemish and Walloon firms to compete one against the other in absurd manner? "I think so too, but in Belgium they choose to behave otherwise" says Leysen, convinced that: "our community problems are not of that much interest to the Chinese. They know Belgium, and the rest is folklore for them. While Shanghai has more inhabitants than all of Belgium put together, the Chinese do not understand our need to regionalize..."

"Everyone here is fascinated by China" admits Leysen. But in fact are we not exaggerating the promises which the Chinese market holds out to us? "Everything depends on Beijing's ability to pursue its present policy" the President of FEB feels. "In the affirmative, the chances are extraordinary. The policy adopted today seems to me to be appropriate for a country such as China in its present condition."

Capitalist in feeling

"They keep their communist body with a capitalist feeling" thinks Andre Leysen. "The new key words are 'opening up to the exterior', 'competition', 'private initiative', 'refusal of subsidies and egalitarianism', 'remuneration based on merit'....All that constitutes a language which we like to hear of course."

Convinced today that she must cooperate with China, will Belgium not bitterly regret it, one day, when there will perhaps be a new Japan to cope with? Already the South Koreans are worrying about the coming avalanche on the world market, of those Chinese light industrial products which are manufactured at minimal costs thanks to an abundant, low-paid work force.

"I prefer to speak of a challenge rather than a danger" Andre Leysen admits. The rise of China, he thinks, "will make us suffer at a certain moment. But the race has started. The Americans, the Germans, everyone is rushing towards this market. Belgium's attitude is not going to change anything much. But it is true that it is a problem. Especially when we see what Japan has been able to do with only 100 million inhabitants (only one half of whom are working) and here are the Chinese who are going to enrich their industrial potential by 250 million workers!"

"The future of Europe, and therefore that of our country depends on its power of regeneration, on its capacity for re-orienting itself towards more refined technological activities, in a nutshell, on the creativity of our population and not on its aptitude for self-protection. By the same token, Europe must be perfectly united, otherwise," Andre Leysen predicts, "we shall all be swept away one after the other."

ECONOMIC

DENMARK

SCHLUTER APPEALS FOR INDUSTRY ACTION FOLLOWING STRIKE END

Copenhagen BERLINGSKE TIDENDE in Danish 23 Apr 85 p 1

[Article by Lisbeth Knudsen]

[Text] It is unacceptable for Danish industry to lose its market share and have less growth than other OECD countries, Poul Schluter maintained.

Prime Minister Poul Schluter is now appealing to firms to make effective efforts in response to the Easter intervention by the government and the Radical Liberals. According to the prime minister the intervention would guarantee competitiveness and create the conditions needed to adjust to a new era and to new markets in the next few years.

Industry must put more into investments and make more of an effort in the area of new and expanded exports if Denmark's economic balance problems are to be eliminated in line with the government's objectives, according to the prime minister's message to the business sector in a speech yesterday to the Struer Business Council.

Although industrial exports rose over 14 percent in 1984 everything indicates that we lost a share of the market in 1984 while at the same time our export markets showed less growth than the average for OECD countries.

"I might just as well speak plainly. The government finds this unacceptable. Danish exporters must be on their toes to a much greater extent and keep up with the developments that are occurring on our export markets.

"It is my belief that the Danish business sector will have increasing problems with expanding the export of traditional products to traditional markets. Therefore industry's competitiveness on the export market depends in the long run on investments in new production facilities, new technology and new products increasing substantially," said the prime minister.

"Business firms must invest an increasingly larger proportion of their resources in market development. This is a process that will be easiest for larger firms and therefore it will require a special effort in countries like Denmark with an industrial structure involving many small firms.

"I am compelled to say that business firms must acknowledge the necessity of export cooperation, in order to compensate for the disadvantages resulting from the small size of Danish firms, while at the same time retaining the advantages small Danish firms have with respect to flexibility and the ability to make adjustments," the prime minister said.

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BERLIN'S ECONOMIC PERFORMANCE OUTPACES THAT OF FRG

Creativity, Cooperation Produce Success

Hamburg DIE ZEIT in German 1 Mar 85 pp 33-34

[Article by Michael Jungblut: "Trial Recovery on the Spree: The Berlin Economy Rushes Ahead of the Upsurge."]

[Text] Berlin has never been such a preferred travel destination for so many people as it is today. Despite the record year of 1983, even more people were drawn last year to the former capital of the Reich: 1.5 million tourists from West Germany and abroad were officially counted, a new post-war record, with record receipts for all those who live from tourism.

The visitors come, however, not only because of the numerous museums, theaters and pubs; they are attracted not only by the "Summer Night's Dream" and other exciting activities; they do not travel simply because of the numerous conventions and meetings.

In ever increasing numbers, they are coming for activities of a more permanent nature: as investors, employers or employees, enticed by the upswing of the Berlin economy; as technicians, students or scientists, fascinated by the some two hundred scientific institutes or the young high-tech companies in the city. For the first time in many years, it is evident that more people have moved to Berlin from West Germany than have left the city.

If one would ask why tourists as well as young scientists, investors and skilled workers are suddenly drawn again to this city that just a few years ago was described by many as an elderly and "dying" city, the answer would often come in the jargon of the meteorologist: "There has been a change in climate."

This sentence comes just as spontaneously from the mouth of Guenter Braun, director of the Berlin Chamber of Industry and Commerce, as it does from a taxi driver. It is also the exact formulation of Rudolf Rentsch, president of the Swiss company of the same name which has just doubled its capacities in the city. Klaus Krone, too, head of an old, established firm, uses precisely these words. The change in climate is mentioned by

the founder of a computer company in explaining why he remained in the city with his company and by an administrative expert when asked why he came to Berlin. A few years ago he had rejected a similar offer because his wife had firmly refused to move with their children to the "city on the front."

If in those days people were repulsed by the images of rioting, daily reports of street fighting, attacks, or houses being occupied, today workers, self-supporting people and managers of large companies are "enticed by our innovative climate or even simply because of the fact that at the end of last year we had 6,000 more jobs than at the end of 1983," as Economics Senator Elmar Pieroth tried to explain the upswing to members of the Bonn CDU caucus during a recent meeting in the Reichstag building.

"The most important point is the change in climate over the past four years, said Kurt Kasch too, member of the board of directors of the Berlin Deutsche Bank. "The facts will soon follow suit." This is, however, no longer merely a prophecy. For the first time, the economy of Berlin is no longer limping along behind developments in the Federal Republic, but is rather rushing on ahead towards the upswing. (see Table: "The Berliners are better.") From any perspective, whether it be the increase in total economic productivity, investments, numbers of orders placed, or export figures, Berlin is in first place. The same is also true for the reduction in the unemployment and short-time figures. Even with regard to the number of welfare recipients, the city has for the first time departed from the trend. Whereas in the Federal Republic the army of welfare recipients continued to grow during the past year, in Berlin the number of applications for welfare support fell for the first time in many years.

The upswing is still a tender sprout. Above all, the changing trend in the labor market has only been clearly discernible for the last few months. A few more years will have to pass before the policies of the past several years really begin to bear fruit. "More than any other city, Berlin is dependent on its remaining governable," said Braun, managing director of the IHK [Chamber of Industry and Commerce], expressing his concern regarding the uncertain outcome of the election for the House of Delegates on March 10. "Under mayors Weizsaecker and Diepgen, Berlin's image had undergone a positive transformation, and the Berliners had regained their self-confidence. But all of this could change again very quickly."

This may well be true, but at the present time there is no sign of any change being underway. On the contrary; today there is no other city in the Federal Republic with such a pervasive atmosphere of renewal, so much optimism and willingness to utilize the chances for new technologies and to enter into competition with the Japanese and the Americans for the markets of the future. "Berlin must be transformed from a city of subsidies into a city of innovations," Economics Senator Pieroth had proclaimed just four years ago upon assuming office. Such slogans evoked some mirth, as did many of his other suggestions and initiatives. The opinion held by some people regarding the ideas of the vintner's son from the Nahe, who had prior success only as an entrepreneur, became clear when he received his confirmation as economics senator only after a second balloting.

Today, Guenter Braun can speak for the Berlin economy when he acknowledges of Elmar Pieroth that his policies "are very successful internally, while externally they have made the city attractive and radiant once more." Kurt Kasch of the Deutsche Bank views as "Pieroth's major contribution the fact that he brought unrest of a positive nature into the city and broke up some of the old incrustations." And Michael Pagels, head of the DGB [German Labor Union Federation], even granted the many criticisms he directs at individual points, is not reluctant to write of the CDU politician in the WELT DER ARBEITER that: "it must be admitted without debate that the innovative changes initiated by Pieroth are taking place. Neither the Social Democrats nor the trade unions are able to develop an alternative to this part of his economic policy."

As simple as it sounds, when the entrepreneur Klaus Krone summarizes the results of this policy in the sentence: "The entire mood is positive, people simply feel better," it was all the more difficult to set the stage for it. After all, when tourists, investors and qualified workers speak of the better climate that attracted them to Berlin, they all mean something different by that, of course.

For Juergen Knipps, member of the board of directors and one of the founders of GFC Corporation for Computer Systems in Medicine, the good degree of cooperation with the technical institutes in Berlin, especially with the Technical University (TU) was of primary importance. "It used to be suspect if know-how developed at the university were transferred to the economy, if products were made out of ideas. If anyone made such a suggestion, he was booed out of the room. Today we work together not only with professors and assistants, but even the students come to our company, cooperate on projects, write their dissertations on the subject and later become employees."

The second important point, in his view, is Berlin's convenience from the point of view of transportation. This is true both for the fast city-wide connections as well as for the good flight connections. "With the exception of Frankfurt, no other West German city can compete." Additional points are the good cooperation with the authorities, the advantage of being able to participate in the "Berlin Network," one of the largest computer centers in the world, and also the high quality of life in the city, which makes it easier to attract highly skilled employees to Berlin.

Only as a last point does Knipps mention the Berlin "preferences," and this is part of the transformation that has been taking place in Berlin over the past several years. Whether for GFC, Krone, Nixdorf, Siemens or Aquata (a young company for water sports and ocean technology that has assumed a preeminent position in the world market in just a few years) the subsidies granted in Berlin are certainly gladly accepted, and are still necessary to compensate for the still-existing disadvantages of the location. However, they are no longer of primary importance in investment decisionmaking. Generally, speaking, the usual view is that "the primary factor is the transfer of know-how."

"Cooperation with the universities is vastly improved since they no longer fear coming into contact with us," explained Klaus Krone. "Now we have more colleagues who come from the TU, the Free University, or the Heinrich Hertz Institute. This relationship has received a political blessing, we can take advantage of the enormous know-how potential in this city in a completely different way than was possible some years back."

Nonetheless, the changed Berlin incentive subsidies also contribute to the fact that new companies are being founded in Berlin, existing ones are expanded, and more and more management functions are being transferred to the divided city. If it used to suffice to ship pork halves to Berlin and have the ears and tails cut off there, in order to cash in on tax advantages once they had been returned to the Federal Republic, today it is above all value added in Berlin that is really rewarded.

For Wolfgang Dressler, CEO of Aquata, this was one of the reasons for his convincing the Japanese supplier of the synthetic foam used for his surfing wetsuits to build a production plant in Berlin. Rudolf Rentsch, a Swiss supplier of, among other things, cigarette packs for the tobacco industry, doubled his capacity and the number of his Berlin employees because "today, supplying is also assuming a value-added dimension."

As for the readjustment in terms of the Berlin incentive subsidies, years-long preparation and many incentives were necessary to prepare the climate of innovation, which today receives so much praise, before the results of these activities were noticeable. One of the most characteristic symbols for the turning point in Berlin is BIG, the Berlin Innovation and Founder's Center, which is soon to be joined in terms both of space and philosophy by TIP, the Berlin Park for Technology and Innovation.

The manager of BIG, Heinz Fiedler, had, as an assistant at the TU, as early as 1977, begun work on developing technology transfer and, together with his colleagues, had offered to cooperate with interested companies. Two comprehensive catalogues, which appeared in 1983 and 1984 with useful research results, make it clear that the TU can be a bonanza for innovation-minded entrepreneurs. More and more researchers, however, had themselves had the idea that they should turn their inventions into profit. They got together with others to exchange ideas and to formulate plans. After a visit at Pieroth's office, the talks continued in a pub. From this circle, a "Founders' Stammtisch" developed, at which such topics as tax questions, capitalization, and other common problems could be discussed. Many people who came to know each other in this way now cooperate or have even jointly opened companies. Fiedler recalls that "an actual in-group for founders of companies has begun to be established in Berlin....This climate then led to the concept of establishing BIG. Pieroth read of the idea and immediately said: we are going to do this!"

After that, everything happened very quickly. With the help of the Senate, an old, abandoned industrial complex that had belonged to AEG was renovated. By 30 November 1983, the first 14 novice entrepreneurs had moved in, with 26 co-workers. "We were the first ones in Germany to turn this idea into

reality. Although plans had been begun quite some time ago in Aachen, we far surpassed them," Heinz Fiedler says with satisfaction even today. By now, 24 firms with more than 80 employees are working together under the BIG roof. They are building robots, constructing instruments that can generate automatic speech, exploring new directions in energy-and environment-related technologies, and are developing software.

Visitors from all over the world are knocking at the door of the Founder's Center at the Wall. On April 1, the Japanese firm Mitsubishi will even open an office in BIG. "They evidently believe that it would be helpful to be able to observe first-hand developments in the firms which are located here," Fiedler states. Fiedler, by the way, is proud of the fact that none of these young firms have been forced to close. They have developed so successfully that for some, BIG has become too small. They want to move to the nearby TIP.

This new wave of firm-foundings has not only been the cause of the establishment of numerous new industrial enterprises both within and outside of BIG, and has led to the establishment of 10 private venture capital companies in Berlin, which are prepared to furnish hopeful young companies with the necessary equity; this optimism has also had its effect in the area of crafts. In the Craftsman's guild there are over 700 more companies registered today than there were two years ago, and the numbers of people employed, which for some time had remained static, has now risen by some 7,000.

Large-scale industries, too, which for years had shown their concern for Berlin more in words than in deeds, are now investing again in the city, expanding older and building modern plants. Nixdorf has built a production and research facility in TIP; BMW has greatly expanded its motorcycle production; Siemens is building a new factory for fiberglass products; Triumph-Adler has built a super-modern typewriter factory. A further example is the Center for Laser Medicine, a cooperative venture of MBB, Zeiss-Ikon and Aesculap.

But in his efforts to turn Berlin into a prosperous and innovative city, Elmar Pieroth is not relying totally on large-scale industry. Above all, he wants to bring medium-sized companies into contact with the transfer of technology, making modern techniques of management and marketing more readily accessible to smaller and medium-sized businesses than was previously the case. One of the most important instruments for this is the "Innovation Assistant." By this is meant young college graduates whose employment in smaller companies is subsidized by the Senate by a grant of 40 percent of the payroll costs.

Because this program has been so well received and over 90 percent of the companies adjust the limited contractual agreement into a regular permanent contract at the end of year without further subsidizing, the term "innovation-trainee" has become established. Within the framework of this program, students and assistants can, even before completing their studies, begin to work temporarily for Berlin firms, in order to reduce "contact anxiety" on both parts and to provide for a more effective exchange between science and praxis.

A further step is the subsidizing of "sales assistants," which is also restricted to a limited time period. According to this program, Berlin companies are encouraged to become more actively engaged in finding markets for their products in the Federal Republic, by sending sales representatives on the road. The intensive subsidizing of the participation of small and medium-sized firms in fairs and exhibitions also serves this same goal.

Elmer Pieroth is, to be sure, also thinking already of the time when enhanced technology transfer, improved marketing, the financial and philosophical encouragement of the founding of independent entities, or the adjustment of the Berlin subsidies accelerate the upswing in the labor market that has already begun. For today, although over 80,000 Berliners are still officially unemployed, it is difficult for employers in the city to find employees. This is particularly true of skilled workers, but also applies to positions which require low-level trainees.

In order to provide today for the needs of tomorrow, the "Society for New Professions" was established jointly by Siemens, Nixdorf, and PSI. According to director Helmut Hohmeyer, this is to offer "an external trainee-program for the employees of those firms that may not themselves be able to afford it."

This educational-political novelty is supplemented by a society "Office of the Future," by a CNC Center for Trainers, and by an Institute for Distribution and Outside Sales. Elmer Pieroth knows, however, that all this will not suffice to solve the future problems of the labor market and to push ahead with the "qualifications offensive" of which IHK Director Braun speaks.

It is of crucial importance for the large number of unemployed workers who lack an adequate background in terms of vocational training and also for the semi-skilled workers employed in the plants that they do not miss the boat in the rapidly changing world of work. In the words of Pieroth's senate colleague Wronski: "We can only reach our goal, that of transforming Berlin into an exemplary industrial metropolis, if we begin today to train people for those jobs for which the future is just now beginning."

Berlin has already achieved a good part of its goal of becoming an exemplary industrial metropolis. This is proved not only by the hordes of pilgrims from all over the world who want to see first-hand BIG, TIP, and other Berlin innovations. It is also shown in several remarkable parallels between the concept of BIG and the High Tech Center now being built in Hamburg. A study of the Saarland GIU Society for Innovation and Industrial Development, which analyzes the "Berlin model in terms of its applicability to the Saarland, will be viewed with some satisfaction in Berlin. Chairman of the supervisory board of the GIU is, you see, Oskar Lafontaine, top candidate of the SPD in the Saarland.

Some of the models can certainly be applied [to the situation in the Saarland]. Whether this will be successful in the face of the prevailing spirit there is a different question. Both factors are, after all, necessary for success.

The Berliners Are Better
 Comparison of Economic Performance
 in 1984
 (Changes in Percentages)

| Developments to the End of 1984 | Berlin | West Germany |
|--|------------|--------------|
| Total Economic Performance (Gross Domestic Product) | 3.0 | 2.6 |
| Investments (real) | 10.0 | 1.3 |
| New Orders | 8.1 | 6.4 |
| Export ¹ | 12.0 | 7.0 |
| Total Employees in Manufacturing | 0.5 1.0 | -0.5 0.3 |
| Vacancies | 31.7 | 16.0 |
| Short Time Work | -45.3 | -43.2 |
| Unemployed Workers | -2.4 | 0.3 |
| Unemployment Rate ² | 9.4 | 9.4 |

1 For Berlin until November

2 According to figures from overall national accounts

Expansion Expected Through 1985

Berlin WOCHENBERICHT DES DEUTSCHEN INSTITUTS FUER WIRTSCHAFTSFORSCHUNG
in German 1 Mar 85 pp 101-109

[Text] The expansion of the Berlin economy will be similar to the strong economy of 1985. With continued large increases in investment in equipment, the number of people employed has once again increased. This rise is, however, too slight to have any real impact on the labor market. Nonetheless, employment figures in the city are expected to drop somewhat, while remaining unchanged for the rest of West Germany. This comparatively favorable development in the Berlin economy should not, however, deflect attention from the fact that serious structural problems still remain to be solved. In order to solve these problems, the government has offered to provide firms with numerous advantages in the form of subsidies and grants. But these structural changes also make demands on the individual workers, and therefore efforts to improve the level of job skills must be intensified.

Number of People Employed Increases

The economic recovery of the Berlin economy, begun in early 1983, continued throughout the entire year of 1984. According to early estimates, economic productivity, measured by price-level adjusted gross domestic product exclusive of excise tax (1), grew last year by 2.9 percent. Similar early calculations estimate the increase in gross domestic product for the Federal Republic as a whole to be 2.6 percent.

As a result of the increasing economic activity, the numbers of people employed has also increased slightly. The average for the year was 837,000 (4,500 or 0.5 percent above the 1983 level) a figure more favorable than that for the Federal Republic (-0.3 percent). There were two decisive factors behind this development: on the one hand, the number of jobs in construction increased by 3 percent in Berlin, but only by 0.5 percent in the rest of the FRG. On the other hand, the public sector expanded in Berlin, but not in the FRG. The average number of state employees for the year was 205,000 in Berlin, 2,000 or 1 percent more than in 1983. Approximately three-fourths of these jobs, however, are due to increased employment within the framework of the Jobs Program (ABM). This instrument of labor policy was also more intensively implemented in the FRG, but there the number of ABM-workers is of much less significance than in Berlin.

Strong Rise in Industrial Production

The production of Berlin industries was greatly expanded during the course of the past year. Measured against the net production index, it grew by 7 percent more than in 1983. Without a doubt the present favorable

conditions of competition for German manufacturers on the world market have played a role in this. Some branches, notably the chemical industry, have been able to raise their foreign sales considerably. But there has also been a strong increase in demand from domestic markets. The fabrication of communication equipment in keeping with the modernization and extension of the communications industry has thus showed strong gains. Even more evident was the increase in electrotechnical consumer goods. All in all, the efforts of the electronics industry, which is by far the largest industrial branch, to adapt its product range more rigorously to market demands are evidently meeting with some success: production here expanded almost as strongly as it did in the rest of West Germany. Another bit of good news is the also far above-average increase in the production of EDP machines and equipment, even though the expansion is largely due to products whose manufacture is very capital-intensive.

The food and beverage processing sector also had a decisive part in the rise in industrial production, as processing here rose many times faster than in the entire FRG. This seen together with the renewed high level of plant investment indicate that Berlin remains an interesting location for this economic sector, despite major cuts in sales tax preferences.

Machine production is the only larger branch that did not experience a clearly upward tendency. While some areas, especially production of lifts and conveyors, are developing well, the Berlin machine-tool industry is still in a state of crisis. Sales and jobs in this area, which consists primarily of small-scale industry, fell last year by approximately 5 percent. Such a decline in the face of the present favorable export climate can only be explained by the fact that the companies are not adjusting adequately to the demands of overseas markets.

The number of jobs in Berlin industry was 157,500 in 1984, a drop of 1.3 percent from the previous year's figure. This year's average, however, conceals a change in the direction of activity during the year. Up until summer '84, employment had dropped slightly, with seasonal adjustment, but after that it experienced a pronounced rise and in December was over 2,000 (c. 1.5 percent) higher than at mid-year.

Industrial production is expected to continue to rise during the current year, although not quite as strongly as in 1984. Factors indicating this rise are both the steadily increasing number of new orders placed and the predominantly confident appraisal of business prospects on the part of the business establishment. With this in mind, it is possible to calculate that the number of jobs, with seasonal adjustments, will continue to climb and that the average of 1985 will be roughly 1 percent higher than in 1984. This may be the first time in a long time that the figures for Berlin are more favorable than for the Federal Republic as a whole, where an increase in the number of jobs can hardly be expected.

Innercity Demand

Growth Impulses from Private Consumption

Expenditures for consumption by private households in Berlin rose by a good 4 percent in 1984, as in both preceding years a more rapid rise than that in available income. A portion of the additional expenditures must therefore have been financed by a reduction in the rate of savings. The rise in consumer prices continued to lessen in Berlin, too, to be sure; however, the year's average of the price index for the cost of living was still 3.2 percent above 1983 levels. Thus there remains, after deducting the price component, an increase of 1 percent in private consumption - a remarkable result when compared with other figures based on time and on interregional statistics. For the first time since 1980, private consumer demand contributed significantly to the growth of the Berlin social product; an expansion tempos similar to that of the Federal Republic was attained for the first time in many years.

Decisive factors in this development may have been the marked reduction in the population decline with simultaneous changes in population structure, as well as the more favorable employment situation. The fact that wages lost due to labor struggles in the metal and printing industries were comparatively small here may also have played a role.

In the current year, private consumption in Berlin will expand somewhat more strongly than in the past year, keeping pace with developments in West Germany. However, the incomes of households that depend primarily upon government social payments, in particular those of retirees, will increase only slightly, and in real terms will actually decline, which will undoubtedly slow growth in consumption, in view of the high percentage of such households in the city. As a result both of the anticipated expansion in the number of jobs and of the repeated sharp rise in wage tariffs, however, an accelerated increase in income from employment can be expected. Provided that the rate of savings remains unchanged and in expectation of a repeated reduction in the rate of price increase (2.5 percent), employee households will increase their real consumption more vigorously than in 1984. All in all, the growth in private consumption for the current year is estimated at 1.5 percent.

At the same time, the number of jobs in Berlin commerce, which stabilized last year after a long period of decline, will slightly rise. Moreover, the private service firms, which are profiting from increased tourism, will also receive stronger impulses from the local market and will hire additional personnel.

More Limited Increase in Personnel in the Public Sector

Public consumption expenditures, composed of personnel and material costs, increased by 4 percent in 1984; in real terms, consumption by the state was 1.5 percent greater than in 1983². At the same time, the number of public employees rose by 1 percent (2,000), a development that, as in the previous year, can be attributed to the filling of jobs newly created by the jobs program.

Budget appropriations for the State of Berlin for 1985 anticipate a rise in consumption expenditures of 2.5 percent; the increase is thus of more modest proportion than in 1984. This is due above all to the appropriations for personnel costs-60 percent of public consumption-which are rising at an unproportionately low rate of 1.5 percent. In this also the intention is expressed by reducing the number of jobs by 500, primarily in education, and in financial and internal administration. A possible reduction in personnel in these areas is countered, however, by increased jobs within the framework of the jobs program. All in all, the number of persons employed by the Land of Berlin will probably increase slightly.

The planned personnel expenditures of federal agencies in Berlin indicate an increase in the number of workers in this sector. Additional jobs are provided for especially at the federal environmental office and at the regulatory agencies for credit and insurance. Social security, too, will contribute, even though very slightly, to the expansion of employment in the public sector. All in all, consumption expenditures in the public sector in Berlin will increase by about 3 percent in 1985. Price-level adjusted, state consumption will be only slightly - 0.5 percent-higher than in the preceding year.

Building Investments Decline after Strong Expansion

Building investments rapidly increased in Berlin in 1984. Nominally they were 13 percent higher than in the previous year; in real terms the growth amounted to 9 percent. This meant that activity in the construction industries was much more favorable than in West Germany, where real building investments rose by a mere 0.5 percent.

Measured against man hours in the building trades - other information on the area - specific distribution of construction performance is not available - expansion was noted above all in industrial construction (+ 8 percent), public sector structural engineering (+ 9 percent), and other civil engineering (+ 10 percent). Road construction, on the other hand, continued to decline (- 2 percent); housing construction rose only slightly (+ 2 percent).

The slight increase in work hours in housing construction comes as something of a surprise, since 11,800 housing units were completed last year, 4,100 more than in 1983. This discrepancy can be explained by the fact that at the beginning of the year, a relatively large part of the housing backlog was already structurally complete. Another factor is the growing proportion of prefabricated units. Finally, a part of the housing was built by outside laborers, only some of whom are completely registered in the city.

The increasing significance of West German firms in the regional market is also shown by the fact that the number of workers in the Berlin construction trades in 1984 (c. 60,000) was just 3 percent higher than in 1983. In view of the extraordinarily strong expansion of construction as a whole, this is a very small increase. The easing of the situation on the labor market

was correspondingly small. The annual average number of unemployed construction workers in 1984 was 6,300, hardly smaller than 1983. Even with seasonal adjustments, this figure had increased by year's end, despite favorable weather conditions.

In 1985 a dramatic drop in housing construction can be expected. On the one hand, construction stockpiles have been severely reduced, and, on the other hand, government subsidy programs will drop by 500 units to 7,050. The impact of this decline will be lessened somewhat by developments in the rehabilitation of existing buildings, where strong demand can be anticipated this year due to modernization and renovation programs in the public sector. The cost of various rehabilitation programs should amount to c. 760 million DM, an increase of at least one-third over 1984 levels. All in all, however, a drop of 10 percent in the construction of housing units must be expected.

In commercial construction, the limited investment allowance of 1984 caused construction projects to be moved ahead time-wise. But it can be assumed that the resulting lack of orders in 1985 in private commercial construction will be partially compensated by an expansion in construction activity on the part of public utilities. All in all, a real increase of 2 percent can be expected in commercial construction investments. Public sector construction budgets of all corporate bodies indicate an increase of c. 4 percent in structural engineering, with a drop of c. 2 percent in civil engineering. All in all, real construction investment in Berlin should be about 3 percent lower than in the previous year; the number of construction-related jobs will drop correspondingly.

Continued Strong Expansion in Investment in Equipment

Capital investment in equipment in the Berlin economy, which had undergone a strong rise as early as 1983, increased again markedly (+ 10 percent) last year; after subtracting the price components an increase of over 7 percent remains.

A glance at the various sectors shows that it was above all the private service companies, transportation, and the postal system that increased expenditures. In the processing trades, on the contrary, investment stagnated, although it should be kept in mind that expenditures for industrial plants had increased very considerably in the previous year.

An accelerated increase in capital expenditures for equipment can be expected again for 1985. Considerable increases can be looked for in the energy sector, where the outfitting of new power plants with machines and equipment will have a significant impact. Processing companies, too, intend, according to a poll conducted last month among the larger businesses, to increase their capital expenditures for equipment. This expansion follows on the heels of a noteworthy increase in expenditures for production plants last year, which is also an indication that, in addition to modernization of the plants, the expansion of capacity and the coming in of new companies also play an important role.

All in all, investments in equipment in the Berlin economy, with price levels adjusted, will surpass 1984 levels by 10 percent.

Almost No Drop in Unemployment

The situation in the Berlin labor market did not increase noticeably during the past year, but nonetheless it was somewhat more favorable than in West Germany. While unemployment figures there remained stable, here they dropped slightly. The average for the year was 81,600 people out of work, a reduction of 2,000 from the year before. (3)

The drop in unemployment in Berlin is smaller than might be expected when various factors are taken into consideration. On the one hand, the earning potential has dropped somewhat due both to age-related factors and to the increased emigration of foreigners, while at the same time the number of vacant jobs has increased in the city. This increase however, is matched by a strong increase in the number of workers who have moved to the city. The number of West Germans who accepted employment in the city rose strongly in 1984. The Employment Offices registered a total of 4,300 such cases, almost 50 percent more than in the previous year. A further factor is also the jump in numbers arriving from the GDR,

The increase in employment among newly-arrived West German workers is certainly an indication that the demands of the economy on the local labor market cannot fully be met. The small number of vacant positions - in January 1985 4,000 openings were listed with the Employment Offices - indicates that the continued high rate of unemployment can be attributed only in part to lack of qualified workers. This is valid even when one considers that only a portion of vacant positions are reported to the Employment Office.

A break-down in the figures by groups shows that foreign workers are still on the average more affected by unemployment. In 1984, unemployment among foreign workers, despite the fact that many returned to their homelands, was 14.3 percent, 50 percent higher than for German workers (9.6 percent). The average number of unemployed young people (up to the age of 20), which, to be sure, only indicates a small part of the actual dimensions of youth unemployment, was 4,700 in 1984, a drop of 700 as compared with 1983. This development can be attributed to increased participation on the part of youth in vocational programs and to a repeated increase in the number of trainee positions, which increased by over 2,000 in 1984, bringing the number of apprenticeships to 43,000 by year's end.

Population Decline Showed

The number of people living in Berlin dropped again last year. This drop, however, with 10,000 smaller than in the previous year (15,000). Additionally, the number of foreigners residing in Berlin showed an obvious decline for the first time since 1976; according to the registry office it was a decline of 5,000, and according to statistics of the movement of population, which is used here, it was a decline of

3,000. The decline in the number of German residents (- 7,000) was relatively small. To be sure, the death rate remained high, and fewer Germans moved to Berlin from West Germany and abroad in 1983. But compared with these figures, there was a very high number of people (7,000) who moved to Berlin from the GDR. A decisive factor in the small decline was the fact that the number of Germans who moved away from Berlin was almost 20 percent smaller than in the previous year. All in all, immigration to the city exceeded emigration away by 11,000 persons.

When viewed against the background of long-term developments, this result is especially astonishing. In the past ten years, this kind of proportion had never been reached; on the contrary, up until 1982, losses of between 5,000 and 11,000 persons were recorded. During this time, immigration statistics remained comparatively stable: from 1975 to 1984 the annual average was some 32,000 people. But statistics for people leaving the city from 1975 until 1982 showed on the average a figure of 40,000. Not until 1983 and 1984 did the results deviate clearly from these norms, and compared with the highest figures, the number of departing Berliners was reduced by 1/2 in 1984.

This considerable reduction in the number of people leaving the city is attributed by official statistical offices primarily to changes in the residence registration law, which went into effect in 1983 and which allows for a more precise designation for residents with more than one domicile. If this estimate (which is supported by the fact that considerable changes in the migration figures have occurred in all Federal States after application of the new registration law) is correct, the results of population projections and thus the present population size of Berlin must be questioned. Even in the early 1970's it was clear that the registration of people leaving the city had been overestimated and that especially the documented moving statistics were exaggerated. In 1972 regulations were passed which were intended to prevent these errors. At the same time, accumulated deviations from the projected population size were estimated to be 100,000.

There were, however, indications that even after 1972 the statistics on people leaving were too high. Official statistics assumed that error was minimal due to improved controls over projections. But taking recent moving statistics into consideration, this assumption must be doubted. In view of the extent of the drop in registered moves from the city in the past two years, it can be assumed that the population of Berlin is considerably higher than had been thought, and is probably still at the 2 million level.

Summary

The still-growing supraregional demand for goods and services from Berlin, together with generally improved conditions for the development of local demand, support the view that total economic productivity in Berlin in 1985 will increase by 2.5 percent, thus surpassing somewhat the growth rate in West Germany (2 percent). In keeping with this expansion in

production, the number of jobs will also increase. Taking the various subsidized jobs programs also into consideration, it can be estimated that the number of employed persons will be 4,000 more than in 1984, an increase of 0.5 percent.

The total picture for the current year would be brighter were it not for the weakened demand for construction. This intensifies the already considerable pressure directed against the construction sector in Berlin to adapt itself to current conditions, since the companies must meet stiff competition from external competitors. The opening up of the regional market is forcing the speed at which innovation is introduced and has the general effect both of slowing rising prices and, at least in the short run, lowering the number of available jobs. The large number of terminations which is expected for 1985 could be prevented if a part of the housing construction programs planned for 1986 were begun in the current year. Only at first glance does this appear to be contrary to the need to stimulate demand in construction. The reason for this is that there are indications that the level of future housing programs, which provide for 4,500 units annually by 1988, has been set at a figure that is in actuality too low. In the first place, a percentage of existing units will soon no longer meet market standards; nor, as experience has shown, can these units be modernized with an acceptable amount of capital outlay. Thus the number of housing units that have to be replaced will continue to rise. In the second place, the number of residents in the city is clearly higher than had been previously thought.

Aside from the specific problems of the construction industry, experience over the past several years tends to indicate that once again a considerable portion of Berlin's labor needs will have to be met with workers from West Germany. This is, of course, also related to the scarcity of qualified workers on the local market. This will have the effect of reducing a possible easing of the situation on the Berlin labor market. Since the number of available workers in the city will fall due to the age structure of the workforce, the official number of unemployed could fall by 5 percent. In reality, however, unemployment in Berlin will probably not drop significantly.

In order to take better advantage of the availability of local labor, efforts must be undertaken to increase workers' motivation for vocational training and continuing education: In Berlin, participation in jobs training programs is much smaller than in West Germany, although here unskilled workers clearly constitute a larger percentage of hard-core unemployment. Furthermore, education, training, and re-training should be oriented to the levels of skills needed for future production requirements.

This sort of education strategy would not only serve to improve the competitive qualifications of Berlin workers, but is in the long run also necessary to prevent labor market crises in the face of the Berlin's goal of modernizing its economy. In line with this, the suggestion that came from the trade unions should be closely studied, according to which the employment of young skilled workers should be subsidized when such

employment has a component of job-related training. Similar measures have already had positive effects, and it has been shown that in this way innovation processes within business companies themselves can be stepped up. (5)

This would improve the competitive ability of the companies, a crucial step if the city wishes to further solidify the relatively favorable position within the framework of the entire national economy that it presently holds. The re-enacted sales tax preferences and especially the manifold measures implemented by the Berlin Senate for the improvement of regional structure are already pointing in this direction. Even though a systematic method of evaluating the success of these instruments is still not available, there are nonetheless numerous signs indicating a positive reaction on the part of the business firms.

The primary focus of economic incentives in Berlin is on the industrial sector, which is appropriate in view of its regional importance. The service branches, however, are also becoming increasingly important for the enhancement of employment opportunities and solving the problems of the labor market. Against this background and keeping in mind the developmental lag of the city, especially in offering services to contractors outside of Berlin, it is clear that conditions should also be improved for this branch of the economy.

Footnotes

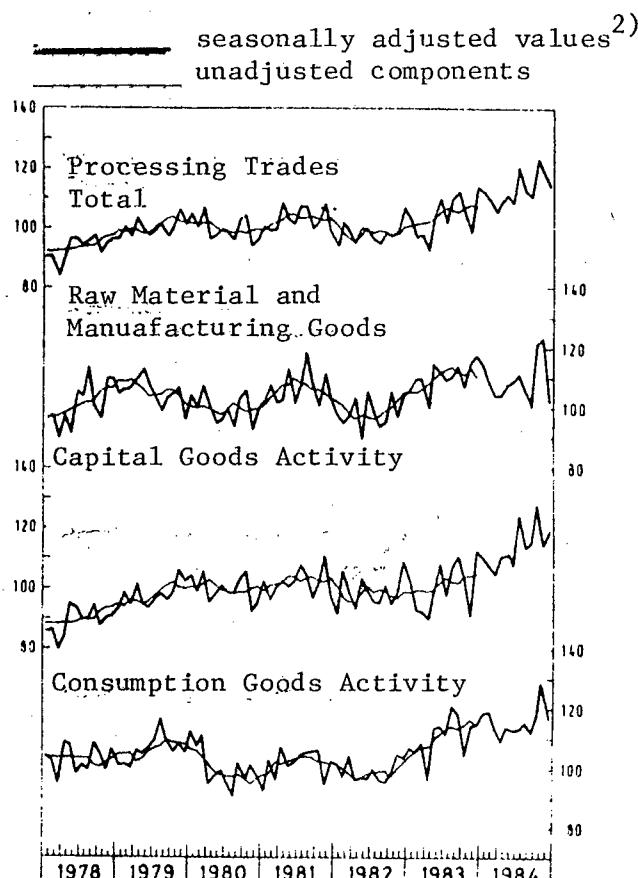
1. Excise taxes such as those levied on tobacco, petroleum and spirits belong, according to the definition of the total calculation of the national economy, to the gross domestic product. Regionally speaking, they are classified with the performance values of the economic region where the products are manufactured. In reality, however, they are revolving monies because they are federal taxes. Therefore, performance statistics that do not include excise taxes are better suited for monitoring regional economic developments. This is valid above all for those regions which have a heavy concentration of production burdened by excise taxes. Approximately one-half of all cigarettes manufactured in the FRG are produced in Berlin alone.
2. In the definition of the total calculation of the national economy, the sector "State" encompasses the district corporate bodies - the state of Berlin and the federal agencies with headquarters in Berlin, such as Social Security.
3. The official statistics for unemployment were last year higher in Berlin (10.2 percent) than the West German average (9.5 percent). Although this differential has been evident since 1977, a methodological-statistical difference must be pointed out which relativizes the picture of the unemployment figures in both regions. In the calculation of the unemployment figure, the referent number used is the number of wage-earners identified in the last microcensus (since the last microcensus was taken three years ago, from January 1985 on the EC random sampling of manpower will be used). This figure is very unreliable, especially for small areas like Berlin, on the one hand because of its nature as a 1 percent

random sampling, and on the other hand because it depends basically on the outdated, though still in use, census of 1970. If instead of these figures one uses reports from the total economic picture, then the unemployment figure both for Berlin and for the FRG is 9.5 percent for 1984.

4. Grundlinien der Wirtschaftsentwicklung 1985 [Basic Trends in Economic Development 1985] Arbeitskreis Konjunktur im DIW: In Wochenerhebung des DIW, Nr. 1-2/1985

5. cf. Peter Ring: Lohnkostensubventionen als Mittel der Regionalpolitik [Wage Subsidies as Factor in Regional Politics] In: Schriften zu Regional- und Verkehrsproblemen in Industrie- und Entwicklungsländern, Berlin 1984 P.150 ff.

Development of Contract-Awarding
In the Processing Trades of
West Berlin
Indexes 1980= 100



1)

2)

Volume Index. - Seasonally
adjusted acc. to Berlin method.

DIW 85

Placement of Orders, Net Production and Employment in Manufacturing
for West Berlin and the Federal Republic
Changes Compared with Previous Year in %

| | Sector2) | | Chemicals | | Machines | | Electronics | | Textiles | | Clothing | | Food | | Tobacco | |
|-------------------------------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|------|------------------|-------|
| | Berlin (West) | FRG |
| Auftragseingang ³⁾ | | | | | | | | | | | | | | | | |
| 1983 | 5,3 | 2,7 | 6,4 | 8,1 | -0,0 | -3,0 | -2,8 | 0,2 | 11,0 | 3,3 | 7,8 | 0,4 | .. | .. | .. | .. |
| 1. Vj. | 1,6 | -0,8 | 7,0 | 0,9 | -6,4 | -3,0 | -10,2 | -2,5 | 3,0 | -3,5 | 6,3 | -0,2 | .. | .. | .. | .. |
| 2. Vj. | 3,9 | 0,3 | 6,5 | 5,8 | 13,6 | -6,2 | -6,9 | -0,8 | 11,6 | 3,0 | -3,5 | -9,5 | .. | .. | .. | .. |
| 3. Vj. | 12,3 | 5,4 | 10,9 | 11,3 | -16,2 | -3,5 | 6,3 | -0,1 | 14,6 | 5,5 | 35,7 | 11,8 | .. | .. | .. | .. |
| 4. Vj. | 4,2 | 6,1 | 1,8 | 14,8 | 11,0 | 0,5 | 1,4 | 4,1 | 15,1 | 9,1 | 9,6 | -0,7 | .. | .. | .. | .. |
| 1984 | 8,1 | 6,4 | 3,2 | 7,3 | -0,4 | 8,5 | 13,0 | 10,0 | 3,3 | 0,4 | -3,1 | 6,3 | .. | .. | .. | .. |
| 1. Vj. | 8,5 | 8,9 | 3,4 | 13,5 | 4,0 | 7,3 | 12,8 | 11,0 | 15,6 | 6,0 | 8,0 | 9,3 | .. | .. | .. | .. |
| 2. Vj. | 5,9 | 5,2 | 1,8 | 7,8 | -14,4 | 8,9 | 12,0 | 8,4 | 5,0 | -2,1 | -5,0 | 5,8 | .. | .. | .. | .. |
| 3. Vj. | 6,4 | 7,2 | -3,6 | 4,9 | 10,2 | 13,6 | 11,6 | 15,4 | -8,5 | -2,3 | -24,1 | -1,7 | .. | .. | .. | .. |
| 4. Vj. | 11,4 | 4,5 | 10,9 | 3,2 | 1,1 | 5,2 | 15,1 | 5,7 | 0,9 | -0,2 | 13,9 | 12,3 | .. | .. | .. | .. |
| Nettoproduktion ⁴⁾ | | | | | | | | | | | | | | | | |
| 1983 | 4,7 | 0,9 | 4,8 | 7,3 | -2,1 | -3,7 | -3,8 | 1,1 | 11,9 | 0,4 | 8,6 | -1,1 | 2,1 | -1,2 | 11,0 | 5,8 |
| 1. Vj. | -0,7 | -3,9 | 4,7 | 1,9 | 5,4 | -3,6 | -7,0 | -3,5 | 16,0 | -4,0 | -0,5 | -4,6 | -6,6 | -4,1 | -6,4 | -10,2 |
| 2. Vj. | 2,4 | -1,1 | 2,9 | 5,3 | 2,6 | -8,3 | -6,3 | -0,9 | 17,5 | 0,1 | 2,1 | -2,9 | 1,4 | 0,4 | 2,5 | -0,8 |
| 3. Vj. | 7,7 | 2,5 | 6,4 | 9,3 | -13,5 | -3,4 | -5,7 | 1,4 | 11,3 | 2,8 | 4,6 | -1,4 | 7,2 | 0,5 | 30,7 | 23,8 |
| 4. Vj. | 10,1 | 6,3 | 5,3 | 13,4 | -2,3 | 0,3 | 4,2 | 7,4 | 3,7 | 3,7 | 36,0 | 5,4 | 7,5 | -1,3 | 23,2 | 15,5 |
| 1984 | 7,4 | 3,4 | 7,4 | 5,1 | -6,4 | -0,2 | 6,6 | 7,8 | -3,2 | 3,5 | -3,3 | 0,4 | 6,7 | 1,6 | 13,5 | 2,6 |
| 1. Vj. | 5,3 | 5,8 | 7,0 | 9,3 | -12,1 | -2,9 | 1,4 | 9,1 | 3,2 | 5,9 | 11,3 | 3,0 | 1,5 | 0,6 | 8,9 | 3,9 |
| 2. Vj. | 6,4 | -1,5 | 6,9 | 4,8 | -9,2 | -1,3 | 10,6 | 3,3 | 4,1 | 1,8 | 7,4 | -1,0 | 6,9 | 1,9 | 15,4 | -0,2 |
| 3. Vj. | 9,8 | 4,2 | 8,5 | 4,4 | -4,1 | 2,1 | 8,0 | 1,7 | -11,5 | 1,8 | -8,0 | 0,5 | 10,8 | -1,4 | 12,7 | 1,2 |
| 4. Vj. | 8,2 | 5,6 | 7,1 | 2,1 | -0,3 | 0,9 | 6,6 | 10,8 | -10,7 | 3,1 | -22,6 | -1,4 | 7,6 | 4,8 | 16,7 | 5,9 |
| Beschäftigte ⁵⁾ | | | | | | | | | | | | | | | | |
| 1983 | -4,9 | -4,2 | 0,8 | -2,0 | -8,8 | -3,9 | -7,5 | -4,0 | 4,6 | -7,2 | -6,2 | -7,7 | -4,5 | -3,6 | -0,5 | -5,3 |
| 1. Vj. | -5,3 | -4,7 | 0,3 | -2,1 | -6,5 | -3,6 | -7,5 | -4,7 | -1,4 | -8,5 | -9,5 | -8,8 | -5,6 | -4,0 | 4,1 | -7,1 |
| 2. Vj. | -5,2 | -4,7 | 0,3 | -2,2 | -9,1 | -4,2 | -8,1 | -4,8 | 4,9 | -8,2 | -7,0 | -8,6 | -4,2 | -3,7 | 0,1 | -6,0 |
| 3. Vj. | -5,1 | -4,3 | 0,8 | -1,9 | -10,5 | -4,3 | -8,1 | -4,1 | 6,7 | -7,0 | -4,8 | -7,4 | -4,3 | -3,6 | 0,7 | -4,5 |
| 4. Vj. | -4,0 | -3,1 | 1,6 | -1,5 | -9,2 | -3,8 | -6,3 | -2,6 | 8,1 | -5,0 | -3,1 | -5,6 | -3,7 | -2,6 | 1,2 | -4,5 |
| 1984 | -1,3 | -1,0 | 3,3 | 0,1 | -6,8 | -2,5 | -0,7 | 0,9 | 6,0 | -1,9 | -7,6 | 1,5 | -1,1 | -1,4 | 0,7 | -4,0 |
| 1. Vj. | -2,8 | -2,0 | 2,8 | -0,8 | -9,2 | -3,8 | -4,1 | -1,0 | 11,6 | -3,2 | -1,4 | -2,7 | -2,0 | -2,1 | 1,9 | -4,9 |
| 2. Vj. | -2,1 | -1,3 | 3,5 | -0,1 | -7,6 | -3,0 | -1,9 | 0,4 | 7,3 | -1,9 | -11,2 | -1,2 | -1,9 | -1,6 | -1,8 | -4,9 |
| 3. Vj. | -0,8 | -0,6 | 3,8 | 0,5 | -5,9 | -2,1 | 0,5 | 1,4 | 3,9 | -1,7 | -9,2 | -0,8 | -0,8 | -1,2 | 1,1 | -3,5 |
| 4. Vj. | 0,6 | -0,1 | 3,4 | 0,8 | -4,4 | -1,3 | 2,8 | 2,7 | 1,7 | -1,0 | -8,8 | -1,5 | 0,3 | -0,8 | 1,5 | -2,5 |
| 1985 ⁶⁾ | 1 | 0 | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |

1) Including West Berlin. - 2) Orders placed not including Food and Luxury Items.

3) Price adjusted. 4) workdays. - 5) According to trade plant departments.

6) Estimate.

**Daten der volkswirtschaftlichen Gesamtrechnung
in Berlin (West)**

Veränderungen gegenüber dem Vorjahr in vH (1)

| Wirtschaftsbereiche bzw. Verwendungskomponenten (2) | 1982 | 1983 | 1984 a) | 1985 b) |
|---|------|------|---------|---------|
| (3) Entstehung des Sozialprodukts C) (zu Preisen von 1976) | | | | |
| (4) Produzierendes Gewerbe | -4,2 | 5,8 | 9,3 | 4,5 |
| (5) Energie, Wasserversorgung | 4,6 | 1,4 | 3,3 | 3 |
| (6) Verarbeitendes Gewerbe | -5,7 | 7,0 | 9,7 | 5,5 |
| (7) Baugewerbe | 2,0 | 0,2 | 8,8 | -3 |
| (8) Handel und Verkehr | -2,2 | 0,2 | 0,6 | 1,5 |
| (9) Handel | -3,7 | 0,5 | -0,2 | 1 |
| (10) Verkehr, Nachr.überm. | 0,5 | -0,2 | 2,1 | 2,5 |
| (11) Private Dienstleistungen | 4,3 | 3,0 | 2,6 | 2,5 |
| (12) Staat | -0,1 | 1,3 | 0,2 | 0,5 |
| (13) Bruttonerwirtschaftung d) | -0,9 | 3,5 | 4,7 | 3 |
| (14) Bruttoinlandsprodukt e) | -1,4 | 3,7 | 5,5 | 3 |
| | -0,3 | 2,7 | 2,9 | 2,5 |
| (15) Bruttoinlandsprodukt Bundesrepublik | -1,0 | 1,0 | 2,0 | 2 |
| (16) Verwendung des Sozialprodukts (zu Preisen von 1976) | | | | |
| (17) Inländische Verwendung | -2,0 | 3,1 | 2,2 | 2 |
| (18) Privater Verbrauch | -2,5 | 0,5 | 1,0 | 1,5 |
| (19) Öffentlicher Verbrauch | 2,3 | 1,3 | 1,6 | 0,5 |
| (20) Ausstattungsinvestitionen | -2,6 | 12,1 | 7,0 | 10 |
| (21) Baulnvestitionen | 3,3 | 2,2 | 9,0 | -3 |
| (22) Überreg. Warenlieferungen | -0,5 | 3,3 | 3,7 | 3,5 |
| (23) Überreg. Warenbezüge | -1,2 | 4,8 | 0,5 | 2,5 |
| (24) Bruttosozialprodukt f) | -1,3 | 3,0 | 4,5 | 3 |
| (25) Erwerbstätige g) | | | | |
| (26) Produzierendes Gewerbe | -4,4 | -3,0 | 0,0 | 1 |
| (27) Energie, Wasserversorgung | 0,9 | 1,8 | 1,8 | 1 |
| (28) Verarbeitendes Gewerbe | -5,4 | -4,4 | -1,1 | 1 |
| (29) Baugewerbe | -1,5 | 0,7 | 3,1 | -3 |
| (30) Handel und Verkehr | -3,1 | -2,9 | 0,1 | 0,5 |
| (31) Handel | -4,3 | -3,6 | 0,0 | 0,5 |
| (32) Verkehr, Nachr.überm. | -0,8 | -1,5 | 0,3 | 0 |
| (33) Private Dienstleistungen | -0,3 | -0,6 | 0,6 | 1 |
| (34) Staat | -0,3 | 0,9 | 1,0 | 0,5 |
| (35) Wirtschaft insgesamt | -2,0 | -1,2 | 0,5 | 0,5 |
| (36) Erwerbstätige Bundesrepublik | -1,8 | -1,7 | -0,3 | 0 |

Key

1. Data of Economic Accounting in West Berlin
(Changes in comparison with last year in hundreds)
2. Economic sectors and Employment Elements
3. Origin of the Social Product (at 1976 prices)
4. Manufacturing
5. Energy and Water Supply

Key (continued)

| | |
|---|---------------------------------|
| 6. Processing | 19. Public consumption |
| 7. Construction | 20. Equipment expenditures |
| 8. Commerce, Transportation | 21. Building expenditures |
| 9. Commerce | 22. Non-local delivery of goods |
| 10. Transportation | 23. Non-local import of goods |
| 11. Private services | 24. Gross Social Product |
| 12. State | 25. Employees |
| 13. Gross Value Added | 26. Manufacturing |
| 14. Gross Domestic Product (without consumption taxes) | 27. Energy, Water Supply |
| 15. FRG Gross Domestic Product | 28. Processing |
| 16. Utilization of the Social Product | 29. Construction |
| 17. Domestic use | 30. Commerce, Transportation |
| 18. Private consumption | 31. Commerce |
| | 32. Transportation |
| | 33. Private Services |
| | 34. State |
| | 35. Total economy |
| | 36. Employees- FRG |

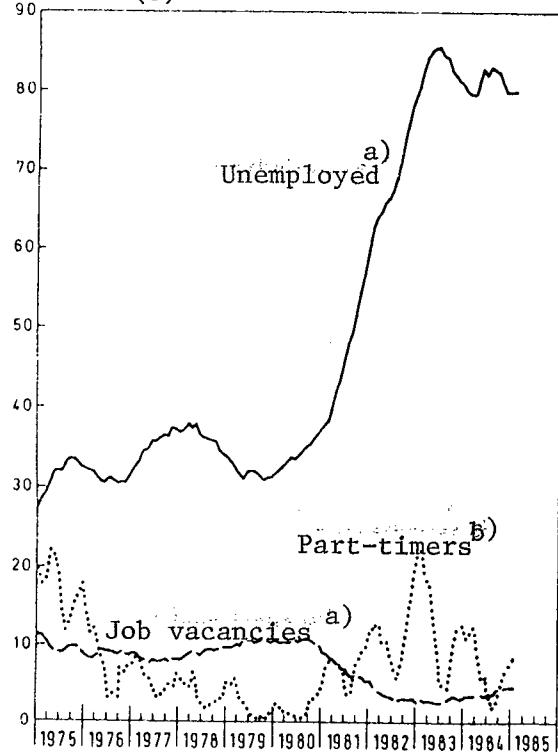
a) Fourth quarter estimated. b) Estimate. c) Raw data for Gross Value Added in the various economic sectors. d) Raw data, including fees charged for banking services. e) Gross Domestic Product = raw data for Gross Value Added minus fees for banking services, plus non-deductible sales tax and import costs. f) Gross Social Product = Gross Domestic Product + Wages and property income that Berliners receive from elsewhere, minus the wages and property income that nonresidents receive from Berlin. This balance also includes the difference between sales tax obtained from regional production and regional consumption. g) Domestic concept

Source: Statistical State Office, Berlin. DIW.

ARBEITSLOSE, KURZARBEITER
UND OFFENE STELLEN
IN BERLIN (WEST) (1)

Monatswerte (2)

in Tausend (3)



a) Saisonbereinigt nach dem Berliner Verfahren. -

b) Originaldaten.

DIW 85

Key

- 1) Unemployed, Part-time Workers and Job Vacancies in West Berlin
- 2) Monthly statistics
- 3) In thousands

- a) Seasonally adjusted according to Berlin production
- b) Source data

Komponenten der Bevölkerungsentwicklung in Berlin (West) (1)

| | | 1980 | 1981 | 1982 | 1983 | 1984 a) | 1985 a) | | |
|---|-----|---------------|---------|---------|---------|---------|----------|----------|--------|
| Personen | | | | | | | | | |
| Lebendgeborene | (2) | Insgesamt | 18 536 | 18 955 | 18 662 | 17 819 | 17 800 | 17 500 | |
| (5) | (3) | Deutsche | 14 183 | 14 455 | 14 400 | 14 048 | 14 200 | 14 100 | |
| | (4) | Ausländer | 4 353 | 4 500 | 4 262 | 3 771 | 3 600 | 3 400 | |
| Gestorbene | (2) | Insgesamt | 34 738 | 34 485 | 34 528 | 33 145 | 32 350 | 32 000 | |
| (6) | (3) | Deutsche | 34 320 | 34 074 | 34 165 | 32 756 | 32 000 | 31 600 | |
| | (4) | Ausländer | 418 | 411 | 363 | 389 | 350 | 400 | |
| Geburten- (+) bzw. Sterbeüberschuß (-) | (2) | Insgesamt | -16 202 | -15 530 | -15 866 | -15 326 | -14 550 | -14 500 | |
| (7) | (3) | Deutsche | -20 137 | -19 619 | -19 765 | -18 708 | -17 800 | -17 500 | |
| | (4) | Ausländer | + 3 935 | + 4 089 | + 3 899 | + 3 382 | + 3 250 | + 3 000 | |
| Zugezogene | (2) | Insgesamt | 82 787 | 79 798 | 63 721 | 61 039 | 74 500 | 66 000 | |
| (8) | (3) | Deutsche | b) | 31 601 | 33 455 | 31 000 | 30 051 | 33 500 | 31 000 |
| | (4) | Ausländer | 51 186 | 46 343 | 32 721 | 30 988 | 41 000 | 35 000 | |
| Fortgezogene | (2) | Insgesamt | 72 605 | 71 829 | 66 940 | 60 795 | 69 500 | 60 000 | |
| (9) | (3) | Deutsche | b) | 43 073 | 39 143 | 36 434 | 27 478 | 22 500 | 20 000 |
| | (4) | Ausländer | 29 532 | 32 686 | 30 506 | 33 317 | 47 000 | 40 000 | |
| Wanderungssaldo | (2) | Insgesamt | +10 182 | + 7 969 | - 3 219 | + 244 | + 5 000 | + 6 000 | |
| (10) | (3) | Deutsche | -11 472 | - 5 688 | - 5 434 | + 2 573 | + 11 000 | + 11 000 | |
| | (4) | Ausländer | +21 654 | +13 657 | + 2 215 | - 2 329 | - 6 000 | - 5 000 | |
| Bevölkerungs- veränderung | (2) | Insgesamt | - 6 020 | - 7 561 | -19 085 | -15 082 | - 9 550 | - 8 500 | |
| (11) | (3) | Deutsche | -31 609 | -25 307 | -25 199 | -16 135 | - 6 800 | - 6 500 | |
| | (4) | Ausländer | +25 589 | +17 746 | + 6 114 | + 1 053 | - 2 750 | - 2 000 | |
| 1000 Personen | | | | | | | | | |
| Bevölkerung am Jahresende | c) | (2) Insgesamt | 1 999 | 1 991 | 1 972 | 1 957 | 1 947 | 1 938 | |
| (12) | (3) | Deutsche | 1 766 | 1 745 | 1 724 | 1 712 | 1 707 | 1 700 | |
| | (4) | Ausländer | 233 | 246 | 248 | 245 | 240 | 238 | |

KEY

| | |
|---|--------------------------------------|
| 1. Aspects of Population Development in West Berlin | 7. Births (+) death (-) differential |
| 2. Total | 8. Moved in |
| 3. Germans | 9. Moved out |
| 4. Foreigners | 10. Migration balance |
| 5. Live births | 11. Population change |
| 6. Deaths | 12. Population at year's end |

a) Estimate of DIW. - b) Not comparable to earlier years because of changes in the registration law after 1984. - c) Resident population; results carried forward of the census of 1970, corrected for insufficient registration and erroneously recorded migration. - d) After taking into consideration obtaining German citizenship by declaration (Art. 3, Par. 1 RuStAg of 1974); adjusted with Resident Register.
Source: State Statistical Office, Berlin.

12792

CSO: 3620/311

ECONOMIC

PORUGAL

ADVANTAGES, PROBLEMS OF EEC MEMBERSHIP CITED

Lisbon EXPRESSO in Portuguese 9 Mar 85 p 15

[Article by Madalena Martins]

[Excerpts] Eight years from the time Portugal presented its formal request for membership in the European Economic Community (EEC), on 28 March, the ten member-states will be on the eve of discussing the reply to be given to the two Iberian candidates; a meeting considered more than ever decisive.

On the one hand, it will be necessary for the EEC to soften the conditions imposed on Spain in order to enable it, politically and economically, to give a definite "yes." Afterwards, it will remain to be seen if that proper solution, from the Spanish point of view, will not entail overly negative offsetting compensations for Portugal, especially in the fisheries sector and under conditions contrary to the uncompromising positions that Lisbon has been firmly defending.

In fact, if the Portuguese Government has definitely lost the battle against the packaging of Iberian negotiations and appears to be also willing to give up the principle of autonomy of the timetables of the two memberships, in matters of special importance to the national economy, it will be difficult for it to desist likewise from having the candidacy negotiated on its own merits and depenalized of the greater weight which opening up to the Spanish economy may represent for Europe.

For Portuguese administrative experts how are especially striving to integrate our industry, some facts are certain and others uncertain, and it is on the basis of the latter that the most optimistic view of the impact of membership is based. "The advantages and disadvantages will depend on the behavior of the economic agents and of their capacity to adapt to competition in a wider market," said Anibal Santos, one of the aforementioned experts. In any case, Vitor Martins observed, in the first years, the diversion of trade will always be favorable to the EEC.

Agricultural Projects Are Needed

In the agricultural sector, the negative effects of membership are even stronger. All that is lacking is to evaluate their definite extent.

The report presented by Armando Sevinate Pinto, director general of the Ministry of Agriculture planning office, is enlightening with respect to the future of the Portuguese farmers: "When Portugal asked for membership, the European vision for our farmers represented the guarantee of better living and working conditions, added protection, entry into an organized area with clear rights and obligations (...) but 8 years have passed and we are still a small agricultural country, largely dependent on foreign countries, on the sidelines of the development and economy of Europe and with a stagnant, deficient and disorganized agriculture."

At the same time, the restraints to which the EEC has subjected its Common Agricultural Policy, the source of great budgetary disruptions, in conjunction with Portuguese foreign exchange policy, have dug a trench between the farm price levels of the Community and ours, which today places us appreciably above the European average. For that reason, Sevinate Pinto predicts that "economic integration and the harmonization of farm prices is going to translate into serious pressures on the income of Portuguese farmers, who are unlikely to be able to see that impact canceled by gains in productivity in the short or medium terms."

Diagnosing that disturbing scenario, Portugal will be limited to benefiting from financial funds of the Community which will enable it to operate a structural change. In the agricultural sector, in addition to access to classic funds, we already have been assured a specific program according to which the EEC will contribute 700 million European Currency Units (ECU's) (about 85 million contos). The regional Development Fund, the Farm Guarantee and Guidance Fund, the social Fund are also being eyed by the Portuguese Government but no one can yet say if Portugal will not become a net contributor to the Community budget for some years, that is, if it will not count more losses than gains.

The problem is, as was emphasized several times in this week's discussions, Portuguese transfers to the Community will be automatic while access to the European funds will be dependent on the presentation of well-prepared projects and on financial availability on the part of the direct beneficiaries and the Portuguese state to insure the obligatory counterpart funds for cofinancing the investments.

Negotiate After Membership

The challenge is there, with the certainty that membership may be used as an instrument of change but "it will not resolve problems for which we, ourselves, prove incapable of finding solutions," according to Minister Ernani Lopes. The fact is, observed the chairman of the Commission for European Integration, "the Community does not practice philanthropy and the small states always encounter greater obstacles in making their viewpoints prevail." Antonio Marta also stressed the need for administrative organization and strengthening of our technical skills that will enable us to prepare and consistently defend concrete projects. "We have to leave internal differences at the border."

ECONOMIC

PORUGAL

BRIEFS

UNEMPLOYMENT STATISTICS SHOW RISE--Half a million unemployed, corresponding to an unemployment rate of 10.8 percent of the working population, was the figure released yesterday by the National Statistics Institute [INE] as the result of a survey on employment during the fourth quarter of 1984. The survey shows a decrease in the work force compared with the previous quarter but an increase over the first and second quarters of the same year. The most noticeable drop was in the service sector which, with 93,000 less workers than in the previous quarter, chalked up the lowest figure on record. The decrease affected female and male employees alike. In the skilled-worker sector there was a certain amount of stability in the total number of employees in comparison with the previous period (998,000 compared with 997,000). Meanwhile, there was a 5.4 percent increase in male employment, which leads to the conclusion that in maintaining the overall total there was a decrease in the number of female employees. The unskilled sector, in turn, showed an increase in the total number of workers (1,410,700) which, according to the figures derived by the INE, is basically due to an increase in the number of female employees in industry. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 4 Apr 85 p 3] 8568

SHORTER VACATION FORESEEN--A smaller number of Portuguese will be taking vacations this year either at home or abroad, in the opinion of travel and tourist agencies. A drop in the purchasing power of a majority of the Portuguese families is causing a great decrease in the number of Portuguese tourists seeking vacations abroad and, with regard to the domestic tourist scene, it is thought that there will be a 20 percent reduction. Moreover, in the opinion of Pinto da Silva, president of the Association of Travel and Tourist Agencies (APAVT), it has been ascertained that there is a decrease in the length of the vacation period this year: instead of the usual 3 weeks which most Portuguese spend away from home, the vacation period has been reduced to 1 week. [Excerpt] [Lisbon DIARIO DE NOTICIAS in Portuguese 4 Apr 85 p 13] 8568

TRADE BALANCE DEFICIT IMPROVED--Income from Portuguese exports in January accounting for 72.1 percent of the expenditures for imports, the best performance in the last 10 years, according to the INE. Preliminary figures released by that institute on foreign trade show the highest rate of coverage of imports versus exports in the past decade; this occurred in January with the figures showing 67.2 million contos of sales abroad and 93.3 million contos of purchases from abroad. In January 1984 the rate of coverage was 59.6 percent,

and the lowest rate of the decade was chalked up in 1982: 35.5 percent. The January 1985 trade balance deficit was 26 million contos, or 8.9 percent less than the comparable figure for 1984 which was 6.6 million contos. In the first month of this year imports and exports increased 2.9 percent and 2.4 percent, respectively, over the same month of 1984. In terms of dollars the trade balance deficit dropped about 44 percent, imports having decreased 9.3 percent and exports 2.4 percent. In January the negative balance with OECD countries amounted to 7.2 million contos compared with 17.4 million contos experienced in January 1984. According to the INE, the decrease in the trade balance deficit with the OECD countries was due basically to the investment of available funds in trade with the EEC, which totaled about 10.9 million contos in favor of Portugal. The amount of Portuguese exports to EEC member countries was 3.1 million contos greater than the amount of Portuguese purchases from those same countries. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 3 Apr 85 p 5]

CGTP: NO GENERAL STRIKE--EXPRESSO learned from union sources that, contrary to what had been admitted as possible at the beginning of the year, the General Federation of Portuguese Workers (CGTP) is not going to carry out any general strike in the next few months in response to the government's measures of privatization of public companies and will give preference to agitation and sector radicalization actions. "At a time when workers' wages have fallen behind, when the danger of unemployment and company closures is growing, the strike cannot be the preferred weapon of the workers," Ernesto Cartaxo, member of the Interunion executive committee, told us. "There are methods of struggle such as those carried out by the Sorefame or Equimetal workers, with railway interruptions, which have more impact on the public and get better results." In view of the radicalization existing in some more desperate sectors, Ernesto Cartaxo told us: "The tendency is to heat up, and we are not being bypassed. The last plenary meeting of the CGTP had already indicated proceeding with and intensifying the most diverse forms of struggle and none will be dispensed with." In the meantime, in statements made to EXPRESSO, Secretary of State for Labor Vitor Ramalho said: "It is nothing more than agitation without practical results for the workers, because at this moment the CGTP does not have any strategy." [Excerpts] [Lisbon EXPRESSO in Portuguese 9 Mar 85 p 3] 8711

CSO: 3542/141

ENERGY

PORUGAL

NATION'S HIGH ENERGY DEPENDENCE DETAILED

Lisbon A TARDE in Portuguese 11 Mar 85 pp 16-17

[Text] In 1983, the country's energy supply was 92.5 percent dependent on foreign sources, with oil accounting for 87.9 percent. The primary energy supply was maintained at the level of the previous year, as was the final consumption of energy, the growth of which was only 1 percent. With regard to the demand for final energy, an increase of coal consumption with an accompanying decrease of the demand for oil is noted. These figures are revealed by the just published INFORMACAO ENERGIA bulletin of the Energy Directorate General.

The production of electricity increased 17.8 percent from 1982 to 1983. The installed power increased 8.8 percent (191 megawatts for hydroelectric stations and 262 megawatts for thermal power stations).

Hydroelectric production represented 44.8 percent of total production and 43.6 percent of consumption referred to production. These figures are below what would be expected in an average hydrological year (with the installed power as of 31 December 1983, the production of Portuguese Electricity (EDP) in a year is 10,290 GWH).

The manufacturing industry and the residential and service sectors accounted for 94.5 percent of total electricity production. In those sectors combined, there was an increase of demand of 5.2 percent compared to 1982. For industry alone, the increase was 6.2 percent.

The factors of use, calculated in relation to annual average power--which for the key power stations indicate only their requests by the network--for the basic power stations, reveal to some extent their respective available supplies.

Coal

The production of national anthracite was 185,228 tons in 1983. In addition to the uses in the energy sector (the production of thermoelectricity and briquettes), the production of cement and hydraulic lime absorbed almost all of the national anthracite sold for final consumption (15,861 tons).

Imports: In 1983, coal imports amounted to 524,840 tons (+36.9 percent compared to the previous year).

The coal and coke were supplied mainly by the United States (57.6 percent) and Great Britain (32.3 percent).

Consumption: The final consumption of coal underwent an increase of more than 200 percent compared to 1982. That fact is due basically to the reconversion by some cement industry units from fuel oil to coal.

The consumption of coke also increased (+28.0 percent). Steel was the sector accounting for this increase (+54.2 percent).

Imports of Crude Oil

In 1983, the quantity of crude oil unloaded increased from 2.9 percent compared to the previous year. The sources of supply were maintained. Of the total, 37.8 percent of the crude oil imported in 1983 was purchased from outside the Persian Gulf.

The amount spent in escudos on the purchase of crude oil increased by 20.7 percent, while decreasing in dollars by 13.4 percent.

The CIF average price dropped from \$35.11 per barrel in 1982 to \$31.53 per barrel in 1983 (about 10 percent).

Refining: In 1982, the refining capacity utilized was 47 percent, with the refineries operating at about 42 percent (Oporto) and 54 percent (Sines) of their nominal capacities, respectively.

Total commercial production increased 1.7 percent compared to the previous year and took care of 88 percent of the needs of the domestic market and of the national air and sea navigation markets.

With regard to the total oil products market, only 84 percent of it was taken care of by the national refineries.

The refineries' "stocks," which guaranteed 88 days of domestic consumption at the beginning of 1983, were able to guarantee only 74 days' consumption at the end of the year.

The portion of consumption by the refineries themselves and losses in refining represented 6.7 percent of the total submitted for processing, considering as included in this figure the consumption by its own aromatics factory.

That figure drops to 5.7 percent if one considers the fact that although the aromatics factory is integrated in the petrochemical refining complex, it has consumption items that should be charged to it.

Imports and Exports of Refined Products

The foreign trade of oil products was marked in 1983 by the import of 2,191,574 tons and the export of 624,366 tons, and the supply of 483,451 tons of refined products to international air and sea navigation.

The foreign trade balance continues to be negative, amounting to 1,083,757 tons, approximately the same quantity as in 1982. There was an increase of imports by 23.1 percent, and of exports by 155 percent, the latter due to the existence in 1983 of contracts for "processing" significant quantities.

The deficit of production relative to the needs of the total market was 1,475,000 tons; contributing to this basically was the negative balance that occurred in fuel oil (1,285,854 tons), LPG (258,667 tons) and chemical naphtha (63,742 tons). Nevertheless, fuel oil production guaranteed 70.6 percent of total demand and 76 percent of domestic market needs for this product. LPG production contributed to meeting 50.7 percent of demand in 1983, increasing from 48 percent in 1982.

With regard to exports, the quantities indicated in the chart include the delivery of products under "processing" contracts, which in 1983 totaled 430,553 tons, corresponding to 69 percent of total exports. Under these contracts, all of the propane, chemical naphtha and oil, 83 percent of the gasoil and 54 percent of the JP1 [sic] were exported.

The exports were basically shipped to European countries (78 percent) and Africa (17 percent).

Total Sales

Sales of oil products totaled 8,953,082 tons in 1983, remaining unchanged compared to the previous year.

Sales to the aviation market continued to decrease (-7.3 percent), with sales of all products decreasing with the exception of gases, super gasoline and fuel oil.

In the meantime, sales of fuel oil for uses other than the production of electricity decreased 6.8 percent.

1984: Crisis Responsible for Energy Consumption Drop

The imports of crude oil and oil derivatives should remain unchanged this year or increase only slightly, said a Portuguese Petroleum (PETROGAL) source.

In 1984, Portugal imported 7,546,100 tons of crude oil, in the amount of 245.4 million contos at an average price of 32.5 contos per ton.

The quantities of oil imported in the years 1981 to 1984 were lower than the 8,032,100 tons purchased abroad in 1980, owing to the reduction of the domestic consumption of fuels that has occurred in recent years.

ENERGY

PORUGAL

SINES POWER STATION UNIT TO GO INTO PARTIAL OPERATION

Lisbon DIARIO DE NOTICIAS in Portuguese 7 Mar 84 p 2

[Text] PORTUGUESE NEWS (NP) learned from Portuguese Electricity (EDP) yesterday that the Sao Torpes, Sines, coal-burning thermal power station should go into partial operation this month.

The first of the four groups of the power station, which should have six groups in the final phase, will begin to "burn coal" on the last week of March, the EDP informant revealed.

This group (steam generator, turbine and alternator) has a power of 300 megawatts and a production capacity of 130 gigawatt hours per month, which amounts to about 1,500 gigawatt hours per year.

Total energy consumption in Portugal in 1984 was 18,083 gigawatt hours per year. Therefore, this Sao Torpes unit will represent about 9 percent of national consumption.

The other three units, already in an advanced phase of construction, should go into operation in the next 3 years and, relative to the figures for 1984, this will represent the entry of energy into the network equivalent to approximately 36 percent of consumption.

The coal to be burned in the Sao Torpes Thermal Power Station is imported because the little national coal there is, is not of the proper quality, added the same source. For this start-up phase of the first unit, coal imported from the United States, which is already in Sines, will be used. The manpower and civil construction used in the power station are 100 percent Portuguese, while the equipment is 80 percent national.

After an experimental phase in which fuel oil will be burned first to prepare the boilers for the burning of coal, the unit will begin to transmit power into the national network.

The Sines Coal-Burning Thermal Power Station of Sines is the first of its kind in Portugal.

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CSO: 3542/141

ENERGY

PORUGAL

BRIEFS

CRUDE OIL IMPORTS--A Portuguese Petroleum (PETROGAL) source told the PORTUGUESE NEWS AGENCY (ANOP) that imports of crude oil and oil-derivative products should remain unchanged this year or increase only slightly. In 1984, Portugal imported 7,546,100 tons of crude oil in the amount of 245.4 million contos at an average price of 32.5 contos per ton. The quantities of oil imported in the years 1981 to 1984 were lower than the 8,032,100 tons purchased abroad in 1980, owing to the reduction of the domestic consumption of fuels that has occurred in recent years. That drop parallels what is occurring in other European countries, although not for the same reasons. While in those countries it resulted from the search for new, alternative sources of energy and the economizing and conservation of consumption of the existing energy, in Portugal it occurred because of a drop in domestic economic activity. According to ANOP's calculations based on data gathered from the National Statistics Institute (INE), imported oil prices in dollars have decreased since 1982: in 1982 that drop was 7.5 percent; in 1983, 10.1 percent; and in 1984, 3.9 percent. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 10 Mar 85 p 6] 8711

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OCEAN/POLAR ISSUES

SWEDEN

PAPER PONDERS SOVIET MOTIVES FOR BOARDINGS IN BALTIC

Stockholm DAGENS NYHETER in Swedish 19 Apr 85 p 2

[Editorial: "Tug of War in the Baltic"]

[Text] The boarding of vessels in the Baltic Sea could add a new burden to relations between Sweden and the Soviet Union. No state has the right to stop and board fishing vessels from other nations on the high seas. Future developments in this affair will depend on how the Soviet Union decides to act on the diplomatic level. The fact that Sweden started out by asking the Soviet Union for an explanation seems well-considered.

As always in sensitive cases like this there is reason to have a proper basis for a Swedish protest. The Coast Guard lacks methods of precisely determining where the Swedish fishing boats were when the Soviet patrol boat turned up. However the fishermen claim with the support of their navigational equipment that they were in the so-called white zone a good distance away, 10 nautical miles (around 18 km) from the disputed Soviet fishing waters. The assumption underlying the government's diplomatic action must be that Swedish navigational error can be ruled out in this case. The entire nation would react sharply to evidence of a new Soviet encroachment.

Important in this context is how the Soviet patrol boat actually behaved. According to reports it made no attempt to chase the Swedes away from what were said to be "Soviet fishing waters." The Swedish Coast Guard also said that a Soviet mother ship said in response to a query that the patrol boat was operating in "Swedish-Soviet waters," in other words inside the disputed area.

The "white zone" is the result of 16 years of fruitless negotiations off and on between Sweden and the Soviet Union on fishing limits and economic zones in the Baltic Sea which is so narrow that adjustments are needed. The Soviet Union has insisted that the boundary should be drawn halfway between the Swedish and Baltic mainlands. Sweden has maintained the principle that the "midline" goes between the east coast of Gotland and the Baltic coast.

Sweden feels it has a clearcut case under international law in view of Gotland's size and economic viability. It is true that the latest ocean rights convention talks in much vaguer terms than older regulations about the need to base negotiations on what is "reasonable." But even very small islands

now yield dividends; the latest example--which has been incorporated in legal practice--is Sweden's own agreement with Denmark in 1983, when little Hesselö was surrounded with its own economic zone.

The middle-party government wanted to reach a compromise with the Soviet Union in 1982 without giving up the midline principle. The attempt failed but it produced such a violent Conservative attack that no one in Sweden has felt like tackling the issue since then. However the Social Democratic government has lately started to investigate the possibilities of an international agreement that would mainly limit salmon fishing in the disputed area.

There does not appear to be any basis for a bilateral agreement with the Soviet Union--if the government is willing to take the domestic political risk involved in starting negotiations again. The Soviet Union has rejected the idea of arbitration. No one can even say exactly where the white zone is, since the Soviet Union has not bothered to report its own base line along the Baltic coast!

A white zone is an open ocean area. But the Soviet Union has not agreed to more than saying that the area is disputed, a matter that is solely the concern of Sweden and the Soviet Union. For the time being Moscow is trying to treat the problem as a "gray zone" over which both countries have some jurisdiction by agreement. Such an arrangement, which Swedish fishermen have shortsightedly argued for, would make it possible for the Soviet Union to make claims with regard to extracting natural resources from the ocean floor. Soviet patrol boats could also move uncomfortably close to Gotland on a permanent basis.

Against the background of this Soviet interest in transforming the white zone into a gray Swedish-Soviet zone, one must be extremely alert when it comes to any interlude that might have some bearing on diplomacy or power politics.

It can be difficult to draw clearcut conclusions about what happened a few days ago. What level inspired the Soviet initiative, for example? On the other hand the Soviet Union must have become aware a long time ago of the importance Sweden assigns to not anticipating a future resolution, either secretly or openly. Sweden takes its rights in the Baltic Sea seriously--that is the basis for our diplomatic actions now.

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CSO: 3650/229

END